HOWARD UNIVERSITY

The Impacts of Economic and Political Systems on the Development of Kenya: The Neocolonial Period, 1964-1994

A Dissertation
Submitted to the Faculty of the
Graduate School

of

HOWARD UNIVERSITY

in partial fulfillment of
the requirements for the
degree of

DOCTOR OF PHILOSOPHY

Department of Sociology and Anthropology

by

Benedict Ngala

Washington, D.C.
May 2002

UMI Number: 3066520

HOWARD UNIVERSITY
GRADUATE SCHOOL
DEPARTMENT OF SOCIOLOGY AND ANTHROPOLOGY

DISSERTATION COMMITTEE

Ralph C. Gomes, Ph.D.
Chairperson

Walda Katz-Fishman, Ph.D.

Ivor Livingston, Ph.D.

Ron Manuel, Ph.D.

Kinuthia Macharia, Ph.D.
Assistant Professor
American University

Walda Katz-Fishman, Ph.D.
Dissertation Advisor

Candidate: Benedict Ngala

Date of Defense: April 1, 2002

DEDICATION

This work is dedicated to my beloved mom,

Margaret Awoko Ngala,

and to my beloved dad, the late

Mzee Vitalis Ngala,

through whom I have learned that

"To know the present we must look into the past and to know the future we must look into the past and the present."

ACKNOWLEDGEMENTS

I express my sincere appreciation to Dr. Walda Katz-Fishman, my dissertation advisor, for her unceasing commitment to this study. Grateful acknowledgement is extended to Dr. Ralph C. Gomes, my dissertation committee chair, for his patience and great understanding; and to Dr. Ivor Livingston, Dr. Ron Manuel and Dr. Kinuthia Macharia, my dissertation committee members, for their encouragement.

I extend my gratitude to friends, colleagues, and all who have contributed to making this study a reality. The completion of this work crowns all their efforts, care, prayers and wishes for me, without which this dream could not have come true.

Finally, I would like to express my indebtedness to my family and to the Consolata Missionary Institute, whose support made this study possible.

ABSTRACT

The purpose of this study is to assess the extent to which historical materialism can be used to understand underdevelopment in Kenya. To achieve that objective this work examines the nature and characteristics of economic and political systems and their impacts on the development of Kenya during the neocolonial period (1964-1994). Following the historical materialist methodology, which is grounded in dialectics, the analysis emphasizes the centrality of the mode of production as the basis for social relations and development. The study uses carefully selected economic, political and historical data sources on Kenya's development.

The findings indicate that Kenya's underdevelopment, measured in terms of inequality in the distribution of educational resources, employment opportunities and income allocations, is an adverse outcome of the capitalist mode of production. Kenya's incorporation into the world capitalist economy began with colonialism, which transformed its pre-colonial modes of production by creating conditions conducive to the penetration of capitalism's contradictions. This research views neocolonialism not only as a continuation of colonialism, but also as a distinct stage of the expansion of capitalism on a global scale.

What characterizes Kenya's experience with neocolonialism is its domination by the leading economic forces within the global economy, coupled with the internal influence of its indigenous capitalist class. The findings also demonstrate that the neocolonial state in Kenya is not simply a dependent superstructure, but an intrinsic part of the global capitalist economy. As such, it determines the fundamental social relations of production and their contradictions within the country. Overall, the results imply the need for a transformation of capitalism on a global scale before change can occur in Kenya's educational system, employment sector and wage earnings.

TABLE OF CONTENTS

	Page
APPROVAL FORM	ii
DEDICATION	iii
ACKNOWLEDGMENTS	iv
ABSTRACT	v
LIST OF TABLES	x
LIST OF FIGURES	xi
CHAPTER 1. INTRODUCTION	1
Statement of the Problem	3
Background of the Study	5
Significance of the study	7
Scope of the study	8
Limitations of the study	10
CHAPTER 2. LITERATURE REVIEW	11
The Concept of Development	11
Globalization and Development	15
Neocolonialism: Economic and Political Aspects	23
Dependency and Development	32
Summary	39
CHAPTER 3. THEORETICAL FRAMEWORK	41
The Theory of Historical Materialism	41
Historical Materialist Theory and Development	44
The Relevance of Historical Materialist Theory	50
Research Questions	54
Conceptual Model	55
Definition of Concepts	55

Summary.................................... 59

CHAPTER 4. METHODOLOGY 60

Historical Materialist Methodology 60

The Main Variables of the Study 65

Selection of Data Sources 66

Data Analysis: Research Questions and Variables 67

Summary 69

CHAPTER 5. INTERPRETATION AND DISCUSSION OF FINDINCS.................................... 71

Introduction................................. 71

The Physical Setting and Economic Potentialities of Kenya 74

The Colonial Roots........................... 77

Overview..................................... 78

The Initial Stage: Penetration and Settlement 79

The Economic Change and the State before World War II............................... 83

The Post-World War II Political Economy and Decolonization 92

Analysis for Question One 97

The Neocolonial Economy 97

Overview 97

Land and Agriculture......................... 102

Industry and Manufacture..................... 117

Indigenous Capitalism in Neocolonial Kenya... 126

The Contradictions of Neocolonial Economy.... 132

The Neocolonial Political System 135

Overview..................................... 136

The Kenyatta Era and the KPU Alternative (1964-1978)................................. 139

The Moi Era and the Re-Emergence of Multiparty Politics (1978-1992) 157

Analysis for Question Two 170

Education 170

Employment and Income 193

Summary 209

Conclusion 219

REFERENCES **223**

LIST OF TABLES

Page

1. Number of Secondary Schools by Province and Category 176
2. Enrollment by Type of School, 1960-1994 180
3. Approved Government Expenditure on Education, 1963/64 to 1984/85 180
4. Percentage Primary School Enrollment by Province, 1966-78 184
5. Percentage of Secondary School Enrollment by Province, 1966-78 184
6. Percentage of Qualified Primary School Teachers in Each Province, for Selected Years.. 186
7. Regional Distribution of Secondary Schools in Percentages, 1977 189
8. Distribution of Wage Employment by Major Towns, 1974-1994 197
9. Distribution of Wage Employment by Provinces, 1974-1994 197
10. Gender Distribution of Employment by Major Sector, 1983-1991 198
11. Number of Persons Engaged in the Informal Sector, 1988-1991 203
12. Shares in Total Employment, 1972-1994 203
13. Monthly Non-Agricultural Household Income by Region and by Poverty, 1994 207
14. Percentage Distribution of Workers by Area of Residence and Poverty, 1994 207
15. Average Earnings by Sector and Sex, 1971-1982 209

LIST OF FIGURES

Page

1. Conceptual Model of the Impacts of Economic and Political Systems on the Development of Kenya.. 56

CHAPTER 1

INTRODUCTION

Over the past three decades, Kenya's preoccupation with development has had only marginal success. Most Kenyans are experiencing absolute poverty coupled with high rates of unemployment. In addition, real incomes are low; and education, health, nutrition and housing problems are widespread. Several studies have suggested causes for these problems: corruption, inadequate entrepreneurial skills, poor planning and incompetent management, disproportionate distribution of wealth, inappropriate policies, insufficient technical assistance, influence of Multinational Corporations, foreign debt, falling commodity prices and unfavorable terms of trade, and low levels of saving and investment (Brett 1973; Leys 1974; Swainson 1980; Cheche Kenya 1982; Odinga 1967; Leo 1984; Kibwana et al. 1996). These factors are relevant to the problem of development in Kenya, and alone or in combination, they can be serious impediments to development.

The main contending perspectives on the dynamics of development in Kenya have generally followed cyclical trends in the broader development field. During the 1950s and early 1960s modernization theory was formulated to serve as an ideological cover and framework of policy orientation to incorporate the developing nations within the capitalist system (Cheru 1987). According to Cheru (1987), modernization theory advocates that "successful economic development in Third World countries could be realized only through substantial capital accumulation and rapid industrial growth, largely dependent upon Western finance and technological inputs" (p. 4). The modernization theory's assumption that development takes place only by following the Western model ignores the colonial experience of African countries and other developing nations of the world.

From the mid-1960s through the 1970s, dependency theory arose as an extensive critique of the modernization paradigm and, following the Western development model, was perceived as the development of underdevelopment in ex-colonial countries (Frank 1967; Amin 1974; Leys 1975). The dependency theory argues that the international relationship between the developed and the developing nations creates economic underdevelopment in the latter and development in the former. Underdeveloped countries like Kenya, lack an autonomous capacity for change and growth and depend on the support of the developed nations. Although dependency theorists differ in their particular emphasis, they share the notion that the incorporation of

Kenya into the world capitalist system through colonization has resulted into underdevelopment and economic stagnation.

Both modernization and dependency perspectives have failed to properly identify and redress the root causes of underdevelopment in Kenya. The modernization theory neglects the structural problems of underdevelopment and patterns of capitalist economic growth and their distributional implications. Similarly, the dependency theory concentrates on what happened to Kenya under colonialism and neo-colonialism, rather than the total historical processes involved, including the expansion in the global capitalist economy. Both these theories suffer from a certain ahistorical character. They ignore the necessarily contradictory nature of the capitalist mode of production that involves different levels of productive forces and the subsequent relations of production. Perhaps using a historical materialist perspective will provide a greater understanding of the dynamics of development in Kenya within their historical, economic and political contexts.

The Statement of the Problem

The purpose of this study is to assess the degree to which historical materialism can explain underdevelopment in Kenya. In so doing, the study will examine the nature and characteristics of the economic and political systems and their effect on the Kenyan people's social development during the neocolonial period (1964-1994). Specifically, the research seeks to analyze the nature and characteristics of the economic and political systems in Kenya and to identify their impacts on development in terms of education, employment and income from a historical materialist perspective.

It is through the historical materialist approach that one may be able draw an adequate and interpretative sketch of the historical outlines of contemporary Kenya's political economy, that is, an outline of the various stages of its involvement in the global capitalist economy. The present economic, political and social structures of the country have characteristics whose origins date from the incorporation of Kenya into the Western capitalist economy through the process of colonization. The objective of this study is to answer the following research questions:

1. What are the nature and characteristics of the economic and political systems in neocolonial Kenya?
2. What are the impacts of the economic and political systems on the development of Kenya in terms of education, employment and income?

Background of the Study

Today, the economic situation of Kenya is quite dismal. When comparing the country's economic outlook to the achievements of Western and/or Eastern Asian nations, quite a bleak picture emerges. The Human Development Report (1999) ranks Kenya among the last four world nations categorized by a medium human development, with 50.2 percent of its population surviving on a dollar per day. The first report to draw attention of Kenyans to the problem of inequality and poverty was compiled by the International Labor Organization (ILO) in 1972. According to this report, the Kenyan economy was accompanied by a growing inequality within the country, especially between regions and ethnic groups. The World Bank Report of 1975 also identified unemployment, poverty and income distribution as the negative aspects of Kenya's development trend. At present, the gap between the rich and the poor is wide, and is increasing as the country pursues economic liberalization policy that favors the well to do.

Neocolonialism in Kenya is rooted in the historical and structural economic and political inequalities that are embedded in the development of the country, starting with colonialism. The historical experiences of colonialism in Kenya from the 1880s to 1963 involved three connected processes. First, it involved the interaction between the capitalist social forces of the colonialists (settler and later industrial capital) and indigenous African societies. This interaction transformed the traditional forms of African productive relations into commodity producing peasants and/or wage laborers. It is this complex and contradictory process of articulation that brought African labor and production under the dominance of capitalism and made them part of the global capitalist economy. Second, is the conflicting process of class formation among the people of Kenya, namely the emergence of indigenous capitalists. Third, is the growth of the state apparatus as an essential condition for the realization of the first two processes.

Kenya's basic economic and political strategies remained essentially unchanged during the transition from colonial rule to independence in 1963. The transition to independence transformed Kenya into a neocolonial society fundamentally based on colonial economic and political structures. The development plans in post-independent Kenya simply affirmed the capitalist system of production that the colonial government had developed over the previous years. It is these historical processes that portray the real and enduring colonial legacy, the conditions directly inherited and transmitted from the past that shape the experience of the present. A study about development in Kenya would be meaningless without an examination of the economic changes that define capitalism, a political system, which defends the interests of the ruling class and sustains various forms of social inequality.

Significance of the Study

This study has both theoretical and practical significance. On a *theoretical* basis the study makes a significant contribution to the development and underdevelopment debate in Kenya. The main contending theories on the development of Kenya, namely modernization and dependency approaches, have failed to properly identify and redress the root causes of underdevelopment in Kenya. The dependency theory, for example, examines what happened to Kenya under neocolonialism, rather than exploring the total historical processes involved. In so doing, it ignores the contradictory nature of the capitalist development that involves class relations and exploitation of human labor both at the national and international levels.

This study has the potential to explore the impacts of economic and political systems on the development of Kenya from a historical materialist perspective. By focusing on different economic and political settings, the historical materialist approach allows the analysis to develop a comprehensive explanation of how development trends reflect the influence of economic and political crises within the capitalist mode of production. Because it is rooted in this framework, the present study provides a basis for understanding the significance of economic and political conditions on the underdevelopment of Kenya, measured in terms of poverty, inequality, illiteracy, corruption, etc. In order to understand underdevelopment in Kenya, it is necessary to go to the root of the problem, examine the context that created it, and trace the stages of its development.

On a *practical* basis the study not only exposes the negative impacts of economic and political systems on the development of Kenya, but also seeks to establish the value of eradicating them. This study is guided by a theory that advocates fundamental social change, contextualized by history with a view of creating consciousness, laying vision and proposing strategies for societal and global transformation.

The Scope of the Study

This study covers the first thirty years of independence of Kenya (1964-1994), although it is about four decades since the country became independent. This is a limited period; however, it captures the major economic and political issues that are relevant to the history of development in Kenya. The following four eras of economic and political systems and development are covered in this study:

1. The era of political authority consolidation (1964-1966);
2. The era of development strategies (1967-1978);
3. The era of political and economic decline (1979-1992) and;
4. The era of political reform (1992-present).

Conventional researchers who are centered on empirical examination and manipulation of data have legitimized their analysis of the development of Kenya by the use of statistics. This study will extend the use of such statistics on a limited basis to test the historical materialist perspective. The division of the period of study into different stages of Kenya's political economy lays the ground for the historical materialist approach. History is indispensable for the study of society in the sense that an adequate explanation of social facts requires a historical account of how the facts came to be. Moreover, the study will explore the historically changing connections between the Kenyan economy and political systems and development.

Limitations of the Study

The major limitation of this study is the use of secondary data. Secondary analysis has inherent problems: the difficulty in determining accuracy of some of the data and the failure of data to meet goals of the current study. Data on selected indicators of development (education, employment and income) do not systematically follow order of years for the period covered in the study (1964-1994). The available data may not have been collected on a yearly-trend basis. In a sense, the data available do not show the exact magnitudes, but only give estimations that serve as indicators of the trends.

Although care was exercised in selecting the data used, this researcher had no control over how data was collected and reported. Based on descriptive rather than analytical multivariate statistics, the findings and discussions of the study will not predict statistical significance in the relationships among the measures that were assessed. However, it will be assumed that the information and data selected are valid for the descriptive analytical purpose of the research.

CHAPTER 2

LITERATURE REVIEW

The discussion on related literature is organized around four sections:

1. The Concept of Development;
2. Globalization and Development;
3. Neocolonialism and Its Economic and Political Aspects;
4. Dependency and Development in Kenya.

The first section offers a review of different conceptualizations of development as they relate to the study. Section two discusses economic globalization and its implications with a particular focus on Africa and Kenya. The third section presents the definition of neocolonialism and a discussion on its economic and political aspects in Africa and Kenya. The final section presents a discussion on explanations given by various dependency theorists who have analyzed the economic and political aspects of development in Kenya since its independence.

The Concept of Development

Development has been one of the constant themes of social sciences since the last century. Before World War II, much analysis on the subject of development focused essentially on Europe and the United States. The bulk of theoretical and empirical study in these areas emphasized industrialization and the rise of capitalism. These investigations have had important repercussions for subsequent works on development studies in developing countries. Much of the analysis on developing countries in recent decades can be viewed as a reinterpretation of elements of the earlier theories about economic, political, and social changes in the Western world.

In the contemporary society, development is understood as a directional change, equated to the shift toward social arrangements that are similar to the Western world. McMichael (1997), in Development and Social Change: A Global Perspective, argues that development has come to be identified with a Western life style, to which most non-Western cultures have been exposed. "Many non-Western societies have followed Western patterns in belief, in social patterns, and in material activities. [At the same time] many of their people (especially their social and political elites) have adopted Western styles of consumption" (McMichael 1997:15). The idea behind this conception is a comparative one. The main concern is with the differences in terms of wealth and technology. On one hand we have the Western world with a high level of wealth and advanced technology, while on the other hand, there is the non-Western countries with a high rate of poverty and simple technology.

The concept of development has been redefined by some social scientists in terms of progress towards a complex set of welfare goals. Hulme and Turner (1990), in Sociology of Development, perceives development as "the realization of the potential of human personality allied to three specific goals: guaranteeing the provision of basic needs (food, shelter, clothes), the creation of full employment and the reduction of inequality" (p.5). Other social scientists limit the definition of development to a national context based on culture and values of a society. McCormic (1987), for example, suggests that choices among the goals for improving the quality of life (increased production, more equal distribution of wealth and income, improved healthcare, control of population growth, and equal opportunity for women and men) should be made in the context of that society's values and not according to Western norms.

According to McCormic (1987), development is not only "a state or condition, but also a process whereby people learn to use the resources at their disposal to bring about sustained improvement in the quality of their lives" (p.163). While these definitions express various aspects of development that are discussed in this study, they neglect the fact that widespread realization of development within the capitalist global economy may necessitate fundamental modifications of the national economic and social systems as well.

For the purpose of this study, an alternative conceptualization of development expressed by Walter Rodney will be adopted. According to Rodney (1982), development is not purely an economic affair, "but rather an overall social process which is dependent upon the outcome of man's efforts to deal with his natural environment" (p.6). Development must be understood as a universal phenomenon that changes with the *creation of new tools* and *organization of work* to produce the basic necessities for human beings in the society. Development in its essence should be a beneficial process, which carries with it not only the idea of economic betterment, but also of greater human dignity, security, justice, and equity. Development, therefore, should improve the quality of life of all individuals by increasing the availability of better education, more jobs, higher income, greater attention to cultural values, and widen the distribution of basic life sustaining goods such as food, shelter, health, and protection.

Globalization and Development

The objective here is to document on the connection between development and globalization. As Frank (1998) argues, the idea is to analyze the whole, which is more than the sum of its parts - viewing modern development, based on economic and political history from a world-encompassing global perspective. Recent studies and research on globalization agree that economic globalization is not new (Fishman and Scott 2000; Anderson et al. 1999; Frank 1998; Green 1997). In a study about globalization in the electronic age, Fishman and Scott (2000) argue that "globalization was part of the ancient world, and has been part of the capitalist world economy since its beginning. Globalization of the capitalist world economy over the last 500+ years has gone through three stages of development: the merchantile age, the modern industrial-finance age, and today's electronic age" (p.8).

Globalization of the economy is rooted in history although the current trends differ from the past in terms of scale and impact upon different sectors of the world population. According to Fishman and Scott (2000), "what remains essential to the capitalist global economy in all ages is that it is a market economy, labor is a commodity that produces new value, and the drive for maximum profits through production and sale of goods and services-commodities-in the market" (Ibid.). The novelty is that the current economic globalization is characterized by electronics (computers, robots that are labor displacing), powerful global corporations (NAFTA, WTO) and neoliberalism, which allows for privatization, free trade and financial flow at the international level.

Castells' (2000) research on the rise of the Fourth World and informational capitalism indicates that the 'de-humanization' of Africa coincides with the rise of informational/global capitalism in the last quarter of the twentieth century. This historical coincidence is based on "the complex interplay between economy, technology and politics in the making of a process that denies humanity to African people" (Castells 2000:83). While a dynamic, global economy was constituted in many parts of the world in the last two decades of the twentieth century, "Sub-Saharan Africa experienced a substantial deterioration in its relative position in trade, investment, production, and consumption vis-à-vis all other areas of the world" (Ibid.). In other words, while capitalism may have spurred production, and raised living standards mainly in Western countries, its positive effects has not been felt at the grassroots level in African states.

Castells' findings indicate that Africa's per capita GDP declined in comparison to that of other developing economies during the 1980-95 period. Moreover, African exports have remained confined to primary commodities (92 percent of all exports), and particularly to agricultural exports (about 76 percent of export earnings in 1989-90). Because of the depression of the prices of primary commodities since the mid-1970s and the IMF/World Bank adjustment policies, it is extremely difficult for Africa to grow on the basis of an outward orientation its economies.

Looking at the sectoral growth rates in different country groups between 1965 and 1989, Castells' findings explain the fact that Africa's economy has consistently grown at a lower rate than that of any other area in the world. This is in terms of agriculture, industry, and services since 1973. Worthy of note is the collapse of industry in the 1980s. The annual percentage growth rate in industry fell to -0.2 percent in the 1980s from 4.2 percent in the 1970s. According to Castells, "it appears that Africa's industrialization went into crisis at exactly the same time when technological renewal and export-oriented industrialization characterized most of the world, including other developing countries" (Ibid. 87). Due to such conditions, most African economies have to depend on foreign aid and foreign loans for survival.

In a study to asses the impact of economic globalization on the future of industrial development in Sub-Saharan African economies, Smith (1991), in "Globalization of Production: Assessing the Prospects for Industrial Development in Sub-Saharan Africa," identifies five obstacles toward industrialization created by the world economy as follows:

> 1. The inability to generate foreign exchange needed for the importation of intermediate capital goods and other raw materials has made domestic capacity utilization so low that domestic industrialization has become irrational;
> 2. The collapse of the existing physical and institutional infrastructures has occurred at a time when most governments lack the resources either to halt the process of industrial collapse or to create additional capacities;
> 3. The resulting collapse in domestic consumer goods production has resulted in an increased dependence on imports;
> 4 To avoid mass starvation, most governments have been forced to import food and to accept much foreign food assistance;
> 5 As a consequence of global industrial restructuring, cheap and competing imports are inhibiting industrialization efforts at both the national and regional markets (P. 15).

In a recent study about classes and class struggles in Africa, Alkalimat (1997) examines the development of a new class as a result of the technological revolution taking place in the advanced industrial world and its impacts on Africa. The findings indicate that Africa is the poorest continent with the lowest quality of life. Although Africa has been a source of great wealth for the world, it has little to show for its enormous contributions. Africa has been disintegrated by three major historical relations of exploitation: slavery, colonialism, and neocolonialism. Alkalimat (1997) shows that

> the historical development of most African societies carries forward the social forms of life associated with rural subsistence agriculture and urban industrial development. Although there is very little of the latter, the cities are the main link with the former colonial powers and the global economy and are therefore the centers of power (P. 272).

In a recent study about Nairobi's informal economy, Macharia (1997) shows that Kenya, and specifically Nairobi, has been part of the world economy since the advent of colonialism. In fact,

> "the colonial economy established Nairobi mainly as a central railway hub which would be used to extract cash crops like tea and coffee from the former White Highlands in readiness for export to the core countries, mainly Europe and later on the United States. In the 1960s and 1970s, Nairobi became a center for light manufacturing following the import substitution policy, a situation that generally did not benefit the migrants from the rural areas" (P. 53).

Despite its incorporation into the world capitalist economy through colonization, conditions of life have not improved in Kenya. Macharia (1997) further asserts that Kenya's close ties with the West have accelerated class formation and produced many unemployed persons, forcing people to engage in various informal economic activities, which produce very little income.

Alkalimat's study of classes in Africa further reveals that class relations are grounded in the economy, upon which the political life revolves. Acccrding to Alkalimat(1997), the development of classes in the last century of Africa's history has been shaped by three main historical contradictions that can be summed up by their corresponding theoretical concepts: mode of production, proletarianization and class struggle. The mode of production implies the totality of productive forces and relations of production at a historically specific stage of development of human society. Based on this, it is evident that several modes of production have existed in African societies.

In The Colonizer's Model of the World, Blaut (1993) indicates that the process of contradictions in the mode of production began with the contradiction between traditional forms of African agriculture and the emergence of merchant capital. Today, the main aspect of this process is the domination of Africa by the leading economic forces within the global economy.

The concept of proletarianization is fundamental for understanding the impact of the global economy in Africa from colonialism to present. African traditional forms of economic life involved ownership of land and the corresponding instruments used for production. It is "colonialism that began the process of separating Africans from their means of survival and isolated them as a source of labor. The proletarianization of labor has meant forcing Africans to sell their labor power as a commodity in a capitalist labor market, in urban industries, mining, and in large-scale commercial (export-oriented) farming" (Alkalimat 1997:276). The proletariat is now excluded from employment by the technological advances that have introduced labor-displacing machines. Indeed, the growth of this class is a measure of the expansion of capitalism.

Alkalimat (1997) argues that the global economy is so interconnected that no previous mode of production in the world can maintain its independence since all are subordinated to a more advanced high tech system. The high tech revolution is dominating all forms of finance and industrial capital. Moreover, proletarianization no longer means being separated from one's land and tools, and employed as a wage worker, but it means being separated from all forms of secure employment.

There are four main political economic determinants (external and internal) of the new proletariat in Africa, which are identified by Alkalimat (1997). External factors are: (1) the International Monetary Fund/World Bank and (2) automated technology in advanced economies. Internal factors are: (1) African governments and (2) application of new technology in Africa. The most important factors are the external political international institutions, which determine the policies that African countries must follow. Although the direct application of new technology in Africa is just getting started, all of these factors are tied together and must be understood as interrelated parts of one historical system.

The above studies on globalization and development offer significant informational background for examining the Kenyan case from a global perspective. The impact of economic globalization on the African economies in general and Kenya in particular is indisputable. The modern capitalist global economy transcends national policies and replaces them with global policies that do not benefit the developing nations. Since the period of colonialism, Kenya has been part of the global capitalist economy. Comparing African economic growth to that of other developing nations, the studies reviewed here have indicated that the African performance has been poor, especially in the 1980s-1990s because of the IMF/World Bank adjustment policies. A complete analysis of Kenya's economic and political systems and development during the neocolonial era requires a global approach.

Neocolonialism: Economic and Political Aspects

The objective of this section is to define neocolonialism and document on its economic and political aspects in Africa and Kenya. Leys' (1975) study of underdevelopment in Kenya indicates that the term neocolonialism came into use in Africa in the early 1960s when the limitations of formal independence began to be widely recognized by African nationalists. At the 1961 All-African People's Conference held in Cairo, neocolonialism was defined as "the survival of the colonial system in spite of the formal recognition of political independence in emerging countries which became the victims of an indirect and subtle form of domination by political, economic, social, military or technical means" (Leys 1975:26). The implication is that Western powers still control African nations whose rulers are either puppets or involuntary subordinates of these powers.

According to Nkrumah (1966), "the essence of neocolonialism is that the state, which is subject to it is, in theory, independent and has all the outward trappings of international sovereignty. In reality its economic system, and thus its political policy, is directed from outside" (p. ix). In Africa today, neocolonialism has replaced colonialism as the main instrument of imperialism.

According to Leys (1975), a better understanding of neocolonialism requires the recognition of the role played by domestic classes, "which are closely allied to and dependent on foreign capital and which form the real basis of support for the regime that succeeds the colonial administration" (p. 26). In this sense, we can speak of neocolonialism not only as a particular mode of imperialist policy applicable to ex-colonies (which it is) but also as a characteristic form of the economic, political, and social life in certain ex-colonies. This exists in those nations "where the transition from colonialism to independence permitted the relatively efficient transfer of political power to a regime based on the support of social classes linked very closely to the foreign interests which were formerly represented by the colonial state" (Ibid.27).

The leaders of neocolonial countries derive their authority to govern, not from the will of the people, but from the support obtained from their colonial masters. Consequently, they have little interest in challenging the colonial pattern of economic and political systems. Thus, neocolonialism does not only preserve the colonial system, but also reproduces and further extends underdevelopment.

In <u>How Europe Underdeveloped Africa</u>, Rodney (1982) observes that "the colonialists took action whenever possible to insure that persons most favorable to their position continued to man African administration and assumed new political and state police powers" (p.260). Moreover, "the colonialists were training low-level administrators, teachers, railroad booking clerks, for the preservation of colonial relations; and it is not surprising that such individuals would carry over colonial values into the period after independence was regained" (Ibid.).

In <u>Democracy and Development in Africa</u>, Ake (1996) argues that the character of the state remained as it was in the colonial era and presented itself in apparatus of violence and coercion. The struggle to capture political power among African leaders was reinforced by the tendency to use state powers for accumulation. The authoritarian structure that the African states inherited from the colonial rule created a political environment that was not conducive to development. In this sense, the need to secure a greater material base gave rise to the indigenous elite that used state power to control economic activities, particularly by nationalization. "Political power was everything; it was not only the access to wealth but also the means to security and the only guarantor of general well-being" (Ake 1996:7).

Both Rodney (1982) and Ake (1996) argue that the incorporation of Africa into the emerging world capitalist economy through trade, slavery, imperialism, and colonialism ensured that African production was geared towards producing exports for the dominant economic system of the Western nations. The political and social systems established by colonialists also ensured the economic gains from this production. What emerged from the colonial economic, political and social systems was not unique, since the system was designed such that the future African leaders would automatically carry over the colonial values and structures to the administration of the society. In short, both Rodney and Ake view neocolonialism as a continuation of colonialism, that is, the continuity of the same economic structure under new political arrangements.

Similarly, Leys's (1975) study of the political economy of neocolonialism in Kenya shows that Kenya's basic economic and political strategies remained essentially unchanged during and after the transition to independence. It was on the educated and propertied indigenous petty bourgeoisie that the strategy of the new Kenya depended. These included "chiefs' families, who had been able to acquire land and livestock in the course of the wielding executive power on behalf of the colonial administration, and who had frequently had early access to mission education" (Leys 1975:51). The growing inequalities among regions and among social groups, rising import bills, and balance payment difficulties are logical outcomes of Kenya's subordinate role in international economy.

In a recent study, which reassessed economic dependency and uneven development in Kenya, Bradshaw (1988) shows that Multinational Corporations have invested heavily in a variety of manufacturing industries since independence. In addition, Kenya has maintained a favorable climate for foreign investment, assuring the right of profit repatriation and pledging not to nationalize foreign assets. Indeed this has attracted investment from a wide variety of Multinational Corporation in this period of economic globalization. Because of Kenya's liberal repatriation policies, more international investment income leaves Kenya in the form of profit remittance than flows into the country. Bradshaw's findings illustrate the situation by showing that the inflow of foreign investment often has been far below the outflow over the 1963-1984 period. The total inflow of foreign investment in millions of Kenyan pounds was 709.5 in the period 1963-1984 as compared to the total outflow of 1048.1 in the same period.

Recent studies on the economy of Kenya have focused on the informal economic activities, which are concentrated in the urban centers (Macharia 1997; Kinyanjui 1996; McCormick 1994). In Social and Political Dynamics of the Informal Economy in African Cities: Nairobi and Harare, Macharia (1997) shows the percentage increase of persons engaged in the informal sector. The findings indicate that more than half a million Kenyans living in urban centers are engaged in the informal sector. Macharia (1997) argues that "given the poor performance of the formal sector of the economy (both public and private) in the 1980s, particularly in the creation of new jobs and in raising per capita income, the informal sector will offer an alternative for many Kenyans in the years to come" (p. 53).

Although the government has indicated the need to improve the informal economy in every development plan since 1974, very little has been achieved. Himbara (1994), points out that the informal sector, where many potential African entrepreneurs exist in significant numbers and with notable technical skills, has been largely neglected, if not hindered, by the state.

In a recent study about the rise of the Fourth World and informational capitalism, Castells (2000), shows that Africa's crisis is also political. Castells agrees with Fatton (1992) who argues that most African states are characterized by a "predatory rule" which results from a process of individualization of ruling classes: "their members tend to be mercenaries, as their hold on positions of privilege and power is at the mercy of the capricious decisions of an ultimate leader" (p. 20). This is applicable to dictatorial rules such as that of Mobutu in Zaire (now Democratic Republic of Congo). According to Castells (2000):

> Predatory rule is characterized by the concentration of power at the top, and the personalization of networks of delegation of this power. It is reinforced by ruthless repression. Economic inducements to government personnel, and generalized corruption and bribery, became the way of life in government. The pattern of behavior leads to the erosion of political institutions as stable systems, being replaced by close-knit circles of personal and ethnic loyalties: the entire state is

> informalized, while power, and power networks, are personalized (P. 98).

According to Castells (2000), there are three major consequences of predatory rule. First, all international and domestic resources are processed according to a logic of personalized accumulation, largely disconnected from the country's economy. Second, access to state power means access to wealth and the sources of future wealth. Finally, political support is built around clientelistic networks, which link the power holders with segments of the population.

Studies by Sandbrook (1975) and Macharia (1997) on the Kenyan state affirm that the state in Kenya is characterized by patron-client relationships. Patron-client relationship involves an exchange between unequal partners in terms of status, wealth and influence. According to Sandbrooks (1975), "these networks often extend from the 'big men' in the central political arena down into the peasant communities of the periphery. They also frequently cut across organizational as well as regional boundaries, as political rivals compete for new clients and access to new political resources" (p. 21). Macharia (1997) interprets political patronage in the state as a "situation where those in public office have allocated jobs, plots or business operation and other favors to kinsmen, friends or co-ethnics in exchange for political support or legitimation of these favors" (p. 83).

In "Democratization and Peace in Africa," Kieh (1996) examined the neocolonial capitalist economies and the nature and dynamics of the state. The study reaffirms that the economies of African countries are anchored on a peripheral capitalist mode of production and relations, which are products of colonialism. During the colonial era, "when African states were incorporated into the international capitalist system, their economies were transformed from being generally self-sufficient in the production of food and other products, to becoming plantations for the production of raw materials to feed the industrial machines of the metropolitan powers" (Kieh 1996:104).

According to Kieh (1996), the peripheral capitalist economies of Africa have the following features: monocultural (dependent on one major product - agriculture or mineral); lack of industrial base; narrow productive base; lack of intersectoral linkages and dual economies (urban-based monetized sector and traditional rural-based sector). Like the economy, the nature of the state did not change with the political independence of African states.

Colonialists ensured that the independent state would become a neocolonial state in order to preserve the same basic colonial relationships of domination and exploitation. As Kieh (1996) describes, "capitalism as practiced in the continent of Africa has produced poverty, hunger, unemployment, decreasing standards of living, repression and conflicts in Africa" (p. 105)

The studies in the above section show the connection between neocolonialism and colonialism on both economic and political systems in Africa and Kenya. The economic system and political policies in Africa, and Kenya in particular, are directed by external forces. Although some of the studies are not specific of Kenya, they offer useful guidelines for a study of Kenya's economic and political systems and development during the neocolonial period.

Dependency and Development in Kenya

The objective of this section is to review various explanations of development in Kenya, which are based on the dependency approach. The dependency approach has been the main contending perspective on the development of Kenya since the 1960s. The primary focus of this approach is on the problem of foreign penetration into the political economies of the developing nations. According to Chilcote (1994), the dependency theorists argue that "outside economic and political influences affect local development and reinforce ruling classes at the expense of the marginal classes" (p. 236).

Dependency theory asserts that underdeveloped nations remain highly dependent because they are penetrated by foreign capital that is invested in raw material extraction. Amin (1974) contends that raw material specialization prevents the internal structural differentiation that is required for sustained development. Similarly, Frank's (1967) early work on Latin America supported the dependency argument, which claims that foreign capitalists (in collaboration with local elites) exploited raw material in this region and inhibited economic expansion (Frank 1967). A crucial assumption is that both local capitalists and the peripheral state are entirely dependent on foreign capital. In sum, the dependency theorists examine development and underdevelopment as partial and interdependent structures of one global system.

The groundbreaking study on dependence and underdevelopment in Kenya is Leys' study: Underdevelopment in Kenya: The Political Economy of Neocolonialism. According to Leys (1975), Kenya has been incorporated into the international capitalist system since the colonial period, and such incorporation has deprived Kenya of the resources necessary to pursue an autonomous development. Colonialism established white settler supremacy in Kenya. As a consequence, Kenya began to play the classic role of a country at the periphery of the capitalist system, exporting primary commodities and importing manufacture goods. External penetration into Kenya, especially through Multinational Corporations, served to establish Kenya's dependency.

In Multinational Corporations in the Political Economy of Kenya, Langdon (1980) asserts that Kenya has not developed an autonomous capacity to sustain capital accumulation through internal interaction among sectors of the economy. In asserting the dependency position, Langdon (1980) points first to the limited achievement which characterizes Kenyan economic development in general and that of its industry in particular. Despite the high growth rate in the fields of investment and industrial output, the growth of employment in urban and rural areas has lagged far behind manpower growth, which has become one of the most crucial developmental problems in Kenya. For Langdon (1980), the key to Kenya's dependency is the penetration of Multinational Corporations into its economy. This has shifted the basis of metropolitan penetration from commerce to industry. Such penetration generates technological and social dualism in the economy in the form of class relations. One part of the class is integrated into the transnational community, while the other part is excluded. The Multinational Corporations are, therefore, agencies of a dual process of transnational integration and national disintegration.

In another study of "State and Capitalism in Kenya," Langdon (1977) argues that Multinational Corporations are the dominant economic force in Kenya. The emerging local bourgeoisie does not play an independent role and is unable to challenge the supremacy of the external capitalists. Langdon (1977) further argues that the role played by the Kenyan state has created a "mutually dependent symbiosis" between multinationals and the local state (p. 95). Although the state retains some degree of independence by receiving taxes and other concessions from foreign capital, these concessions do not prevent Multinational Corporations from extracting and repatriating surplus from Kenya. Because of Kenya's external dependency, the policy decisions of the government are strongly influenced by the internal consequences of foreign investment, foreign trade, and foreign assistance.

In Dependence, Underdevelopment and Unemployment in Kenya: School Leavers in a Peripheral Capitalist Political Economy, Fantu Cheru (1987) attempts to determine the extent to which dependency conditions the relationship between the educational system and the economy, and distorts manpower planning in Kenya. Cheru notes that the continuous impact of external ties has shaped internal social relations within Kenya and maintained the dominance of social classes tied to foreign interests. As a consequence, "one segment of the working class, connected with the modern economic sector, does indeed benefit substantially from the policy of dependent development, while the segment associated with the traditional subsistence sector essentially does not" (p. 12). This situation results in increased inequality that further consolidates underdevelopment instead of promoting autonomous and self-sustaining development. Cheru further states that "the growing inequalities among regions and among social groups, rising import bills, and balance of payment difficulties are logical outcomes of Kenya's subordinate role in the international economy" (p. 13).

In Independent Kenya, *Cheche Kenya* (The Voice of Kenya) (1982) analyzes the country's distorted economy, polarized class structure, and cultural dependency on the

West. The "anonymous" authors argue that Kenya has never achieved true independence, which involves self-determination and self-government. "An independent nation is one with the autonomy to make decisions which will advance the welfare of its people. It is a nation that controls its own resources, and has the political and economic scope to utilize these resources, human and natural, free of foreign interference" (p. 13). According to *cheche Kenya*, the definition of independence has very little relevance to the current situation in Kenya. Kenyans find themselves enclosed in a dependent country, wholly subservient to foreign interests. It is because of this subservience that the people of Kenya are deprived of vital human freedoms, including the right of political self-expression and association.

Contrary to the preceding literature, revised dependency proponent Swainson (1980) asserts that the neocolonial Kenya is in a position to determine the process of economic development autonomously through the emergent domestic bourgeoisie and the state apparatus under its control. In The Development of Corporate Capitalism in Kenya (1918-1977), Swainson (1980) argues that since Kenya's independence, the dominant factions of the African capitalist class have been able to commandeer the state apparatus and use their power to break into areas of accumulation that were off limits to Africans during the colonial period.

In another study, which examined the rise of the national bourgeoisie in Kenya," Swainson (1977) asserts that the Kenyan bourgeoisie is not a foreign creation but a class, which developed within Kenya itself, and was subsequently held back by colonialist policies. On the other hand, the industrial development in Kenya in the 1970s has been achieved through a partnership form of joint ventures between local and foreign capital. "In theory, therefore, the government has created the mechanisms to control the conditions under which foreign firms invest in Kenya, although in practice multinational firms are able (through patents and technical agreements) to take advantage of their technical monopoly" (p. 17).

The specific studies on Kenya based on dependency are significant in three ways. First, they share the notion that the incorporation of Kenya into the world capitalist system with its chain of metropolitan surplus has resulted into underdevelopment and economic stagnation. Second, they confirm the fact that external factors determine the nature and characteristics of the Kenyan political economy. There are both foreign trade dependence on global economic markets, and power dependence on the decisions of specific foreign actors like the Multinational Corporations. Finally, Swainson's work brings to debate the indigenous capitalism as an internal factor that determines decision-making apparatus in Kenya.

These studies that are based on the dependency approach are not historically specific. They concentrate on what has happened to Kenya under colonialism and neocolonialism, rather than the total historical processes involved. They ignore the necessarily contradictory nature of the capitalist system that involves class relations and exploitation of human labor both at the national and international level. Perhaps a more dynamic and insightful approach is required - one which locates the political economy of Kenya in its historical context.

Summary

The discussion cn the related literature has led to the identification of a definition of development that is proper to the study. Development is understood as a universal phenomenon that changes with the *creation of new tools* and *organization of work* to produce the basic necessities for human beings in the society. An adequate understanding of modern develcpment, based on economic and political history, requires a global perspective. This is justified because Kenya has been part of the world capitalist economy since the advent of colonialism. Neocolonialism is perceived as a continuation of colonialism in terms of its economic and political arrangements.

CHAPTER 3

THEORETICAL FRAMEWORK

The first part of this chapter presents an explanation of the historical materialist theory and a discussion on the historical materialist view of development. The second part shows the relevance of historical materialism on the Kenyan case, while the third part consists of research questions, the conceptual model, and theoretical definitions of concepts in the study.

The Theory of Historical Materialism

Historical materialist theory examines the process of development based on economic conditions as the foundation of human social life. Marx replaced Hegel's dialectical approach to the realm of ideas with that of the material world to explain the interaction between ideas and social reality (Zeitlin 1997; Berberoglu 1993). He further placed ideas in their social, material context to explain the structure of social relations.

According to Berberoglu (1993), "Marx and Engels argued that the material conditions of human beings - their real life experience, their social existence - determine their consciousness" (p. 10). In every society, the most important human activities are those by which men and women produce and distribute the goods necessary for their survival. The forces used to bring about such productive activities, the level of production and the social relations of production are the key elements determining the nature of society. Whether primitive or advanced, ancient or modern, all societies must engage in the process of material production to satisfy human needs (Kay 1975). Berberoglu (1993)further notes that Marx and Engels's analysis of society and social relations starts from "the recognition of human beings as the prime agents of material production - a process that forms the basis of production and reproduction of human existence" (p. 10). Thus, Marx's conception of history in the analysis of society and social relations originates from the production of material life (or the means to satisfy human basic needs) as the first act of history (Ibid.).

The historical materialist theory contends that the underlying forces of human social history are the changing forces of production through a process of development. Through the concept of mode of production, Marx regards production as a social activity. In The German Ideology, Marx and Engels observe that:

> The way in which men produce their means of subsistence depends first of all on the nature of the actual means they find in existence and have to reproduce. This mode of production must not be considered simply

> as being the reproduction of the physical existence of the individuals. Rather, it is a definite form of activity of these individuals, a definite form of expressing their life, a definite mode of life on their part. As individuals express their life, so they are. What they are, therefore, coincides with their production, both with what they produce and with how they produce. The nature of individuals thus depends on the material conditions determining their production (in Berberoglu 1993:11-12).

The concept of mode of production consists of both "forces of production" and "social relations of production." Seen from the technical point of view (forces of production), production is the activity of human beings as they work in the natural environment to modify it to meet their needs. And as a social activity, it also involves relations between people (relations of production) who govern access to and ownership of the means of production, the resources, and the use of the product. These relations, which are manifested in forms of classes, are not a matter of deliberate choice, but a product of a process of historical evolution. Berberoglu (1993) asserts that once a class system emerges in the society, "the relations of production (or class relations) become the decisive element defining the nature of the dominant mode of production, which in turn gives rise to the political superstructure, including first and foremost the state, as well as other political and ideological institutions that serve the interest of the propertied class" (p. 12). In his famous "Preface", Marx states that:

> In the social production which men carry on they enter into definite relations that are indispensable and independent of their will; these relations of production correspond to a definite stage of development of their material powers of production. The totality of these relations of production constitutes the economic structure of society - the real foundation, on which legal and political superstructures arise and to which definite forms of social consciousness correspond. The mode of production of material life determines the general character of the social, political and spiritual process of life (in Zeitlin 1997:157).

Historical Materialist Theory and Development

Development entails a historical dynamic nature which Marx illustrates by the example of the European development that moved from communalism to feudalism and finally to capitalism. The historical materialist perspective equates development with the unfolding of successive modes of production and social formations, prompted by quantitative and qualitative changes in the productive process and society as a whole. It is clear that one of the most basic Marxist notions is that of a historical succession of modes of production, with each mode spawning a particular constellation of classes that must change fundamentally to make way for a succeeding mode of production. Each stage reached by the forces of production in any given society gives rise to a different set of relations of production, to which correspond appropriate political and social relations. In the Communist Manifesto, Marx shows that

> "the modern bourgeoisie is itself the product of a long course of development, of a series of revolutions in the modes of production and of exchange. Each step in the development of the bourgeoisie was accompanied by a corresponding political advance of that class… Whenever it has got the upper hand, it has put an end to all feudal, patriarchal, idyllic relations" (Marx and Engels 1995:10-11).

From this discussion it may appear that Marx assigns causal priority to the productive forces. As Zeitlin (1997) observes, this has led to the "misapprehension that Marx had advocated a form of economic determinism in which the 'foundation' is the cause, and the 'superstructure' the effect" (p. 158). Marx does not consider the economic system of paramount importance so that it determines all other sectors of society namely, politics, religion, culture/ideology, etc.

Frederick Engels, Marx's colleague, clarifies their position stating that:

> The economic situation is the basis, but the various elements of the superstructure…also exercise their influence upon the course of historical struggles and in many cases preponderate in determining their form. There is an

> interaction of all these elements [of the superstructure] in which, amid all the endless host of accidents (that is, of things and events, whose inner connection is so remote or so impossible of proof that we can regard it as nonexistent, as negligible) the economic movement finally asserts itself as necessary (in Zeitlin 1997:158).

We can see that economic determinism is untrue to Marx's theory of historical materialism, which is dialectical. Marx uses the dialectical approach to explain the interaction between ideas (theory) and social reality (practice). Given Marx's desire to integrate theory and practice, a perspective that omits individual and collective action would not be in line with his thinking. George Ritzer (1997) notes that " as a dialectician, [Marx] could not have taken a deterministic position, because the dialectic is characterized by the notion that there is a continual feedback and mutual interaction among the various sectors of society" (p. 141).

The example of Europe's development shows how each mode of production (except the communal/egalitarian mode) defines a pair of opposed classes, a class of producers exploited by a non-producing class. The relation between these two classes, namely bourgeoisie and proletariat, is the central, defining feature of the mode of production within capitalism. In the Marxian context, classes cannot be thought of primarily as groups of people, but as opposing positions within a structure of social relations. It is the struggle between these opposing classes that constitutes the development of human history.

Capitalists and workers face each other as two distinct economic classes that are dialectically related; that is, they help produce each other by interaction. The capitalists, the owners of resources and means of production, must employ the workers for the production to take place. But since the capitalist goal is to maximize their profit, they dominate and exploit the workers who are forced to sell their labor in order to survive. Marx (1995) posits that "what the workers actually sell to the capitalist for money is their labor-power. This labor power the capitalist buys for a day, a week, a month, etc. And after he has bought it, he uses it up by letting the worker labor during the stipulated time" (p. 17). Marx considers class as the agency for historical revolution.

Rodney (1982) locates the concept of development within the historical, dialectical and material framework to show how the European development from communalism, through feudalism, to capitalism is an outcome of the exploitation of one group by another. By means of political power in terms of colonialism and imperialism, Europe continuously exploited Africa through trade, slavery, and labor to achieve its development. In the process it distorted and eventually halted the development of Africa in terms of the well-being of the people. Rodney conceives development as a historical process whereby quantitative change becomes qualitative after a certain period of time and gives rise to an entirely different society. Likewise, "in human society it has always been the case that the expansion of the economy leads eventually to a change in the form of social relations" (p. 6).

Development has not been equal for all the societies since, in their struggle with material environment human beings "created forms of social relations, forms of government, patterns of behavior, and systems of belief which together constituted the superstructure --which was never the same in any two societies" (Ibid. 9). When two different societies, for example, communal and capitalist come into contact, detrimental consequences occur due to new social relations that are created. The end result is that either "the weaker of the two (i.e., the one with less economic capacity) is bound to be adversely affected, or assuming that the weaker society does survive, then ultimately it can resume its own independent development only if it proceeds to a level higher than that of the economy which has previously dominated it" (Ibid. 11). For Rodney, therefore, modern underdevelopment expresses a particular relationship of exploitation: namely, the exploitation of one country by another. Underdeveloped countries are exploited by others; and their underdevelopment is a product of capitalist, imperialist, and colonialist exploitation.

Marx recognizes that the succession of stages in the European mode of production does not fit the non-European history. Since a real society cannot be reduced to a single abstract mode of production, Marx observes that the succession of stages could be broken by outside influences through conquest. He states that:

> In all conquests there are three possibilities. The conquering nation subjects the conquered nation to its own mode of production… or it allows the old mode to remain and is content with tribute… or interaction takes place, which gives rise to a new system, a synthesis… In all cases the mode of production - whether that of the conqueror or of the conquered nation or the one resulting from the fusion of the two - is the determinant of the new distribution that occurs (in Brewer 1990:14).

Given Marx's analysis of capitalism as a historically progressive system, it is evident that it was transmitted to the underdeveloped countries through colonialism. The capitalist system replaced the pre-capitalist structures.

Many ex-European colonies like Kenya are undergoing the same historical process of development, as they are controlled by the Western capitalist countries. Although Kenya won independence over three decades ago, it has never managed to liberate itself from colonial capitalist economic, political and cultural realities. Moreover, the ex-colonialists still continue to control their former colonies economically, and impart the spirit of capitalism upon the African societies and their leaders. From a Marxist perspective, neocolonialism can be considered as a stage of capitalist development.

The Relevance of Historical Materialist Theory on the Analysis of Kenya

The primary focus of Marx's work was production and production relations. It is clear that historical materialist approach commences the analysis of any society by discovering the following[1]:

1. What type of technological system is used?
2. What are the most important resources?
3. Who owns or controls the most important resources?
4. How are goods and services, including surplus produced?
5. How is most surplus distributed?

[1] This questionnaire is adopted from Africa Access and Project South. 1996. Types of Economies Handout.

What Marx attempted to show is that all societies depend on the production of goods and services for the survival of the members (human beings). At the same time, all societies which produce beyond and above subsistence minimum eventually exchange products. The form of universal commodity production in the modern society is referred to by Marx as the capitalist mode of production of commodities.

Marx and Engel's assertion in The Communist Manifesto that whenever the bourgeoisie got an upper hand, it put an end to all feudal, patriarchal, idyllic [and lineage] relations is very relevant to the Kenyan case. In Kenya, like in many developing nations, colonialism was a political domination for the exploitation of land labor and extraction of surplus for use in the metropolitan countries. The political apparatus of colonialism was an externally determined instrument ensuring the conditions for the accumulation of surplus and its transfer to the metropole. Wolff (1977) observes that:

> The particular relevance here is a central theme in the Marxist approach: that the development of capitalism in Europe, especially in Britain, involved the revolutionary conversion of one part of the globe into a chiefly agricultural field of production, for supplying the other part which remains a chiefly industrial field. This revolution hangs together with radical

> changes in agriculture… The colonial or "periphery" economy is seen to develop within the context and subject to the constraints of the general economic development of the industrialized metropolis. Capitalism brings into being a world-wide economic system but develops different regions unevenly assigning different roles to each region in a global division of labor (P. xiii).

From the historical materialist perspective, a neocolonial capitalist state is to be understood not as a dependent superstructure, but as an intrinsic part of the capitalist mode of production that forms the fundamental social relations of capitalism, including its contradictions. According to Berman (1990), the specific form of the capitalist state in different societies and in different epochs derives from the particular historical process of accumulation and class struggle over which it presides and reciprocally shapes and modifies. Marxist analyses of development within the capitalist system of developing nations take account of external domination and dependence, but with a particular focus on internal processes of forces and relations of production, class formation and class struggle. These internal processes are as essential to an understanding of the periphery as they are to that of the metropolitan centers. Moreover, the complex process of linkage of metropolitan capital to indigenous non-capitalist social forms helped shape the particular pattern of contradictions and struggles propelling the development of colonial and the subsequent neocolonial societies.

Marxist theory is vital if we are to achieve a balanced understanding of social transformation and crisis in Kenya within the global capitalist system. An understanding of the impacts of economic and political systems on development in neocolonial Kenya cannot rest, therefore, with an abstract stipulation, but must be able to explain the origin and development of neocolonialism. Neocolonialism in Kenya has generated a dynamic process driven by distinctive internal and external contradictions rather than a fixed, unchanging condition of underdevelopment. Neocolonialism is a complex relationship that rests as much on a material foundation of accumulation and class collaboration as the imposition of superior coercive force.

The dominance of the capitalist mode of production in neocolonial Kenya is indisputable. In relation to the above premises, there is no doubt that the historical materialist theory would permit an analysis of the neocolonial Kenya to be set within its proper context in the political economy of the country. On the other hand, this theory allows us to consider the relationship between theory and real historical experiences in the linkage between Western capitalism with indigenous social forms in Kenya.

In order to understand clearly the underdevelopment in Kenya, it is necessary to go to the beginning of the problem, examine the context that created it, and trace the stages of its development up to the present. To asses the issues underlying the problem of poverty and inequality in Kenya, we need to examine the assumptions upon which concepts rest and place the Kenyans' experiences within the framework of colonialism and neocolonialism, showing the patterns of political domination and class exploitation. A historical materialist approach makes possible exactly this kind of analysis.

Research Questions

This study examined the nature and characteristics of economic and political systems and their impacts on the development of Kenya during the neocolonial period (1964-1994) from the historical materialist perspective. Based on this approach, the following questions were developed to guide the investigation and help organize the structure of the analysis:

1. What are the nature and characteristics of the economic and political systems in neocolonial Kenya?

2. What are the impacts of the economic and political systems on the development of Kenya in terms of education, employment and income?

Conceptual Model

The conceptual model (Figure 1) represents the impact of economic and political systems on the development of Kenya as measured by education, employment and income.

Definition of Concepts

Economic System is "the real foundation, on which legal and political superstructures arise and to which definite forms of social consciousness correspond" (Zeitlin 1997:157). The main focus in the analysis of economic structure is the concept of mode of production, which implies the totality of 'productive forces' and 'relations of production at a particular stage of development of society.'

Productive Forces focuses on the issue of how a society produces its means of subsistence and goods. Productive forces include social cooperation of the producers (labor), tools and technology of production, human technical skills/knowledge/training, and natural resources (Zeitlin 1997). Within the capitalist system, the productive forces become a dynamic element of social development.

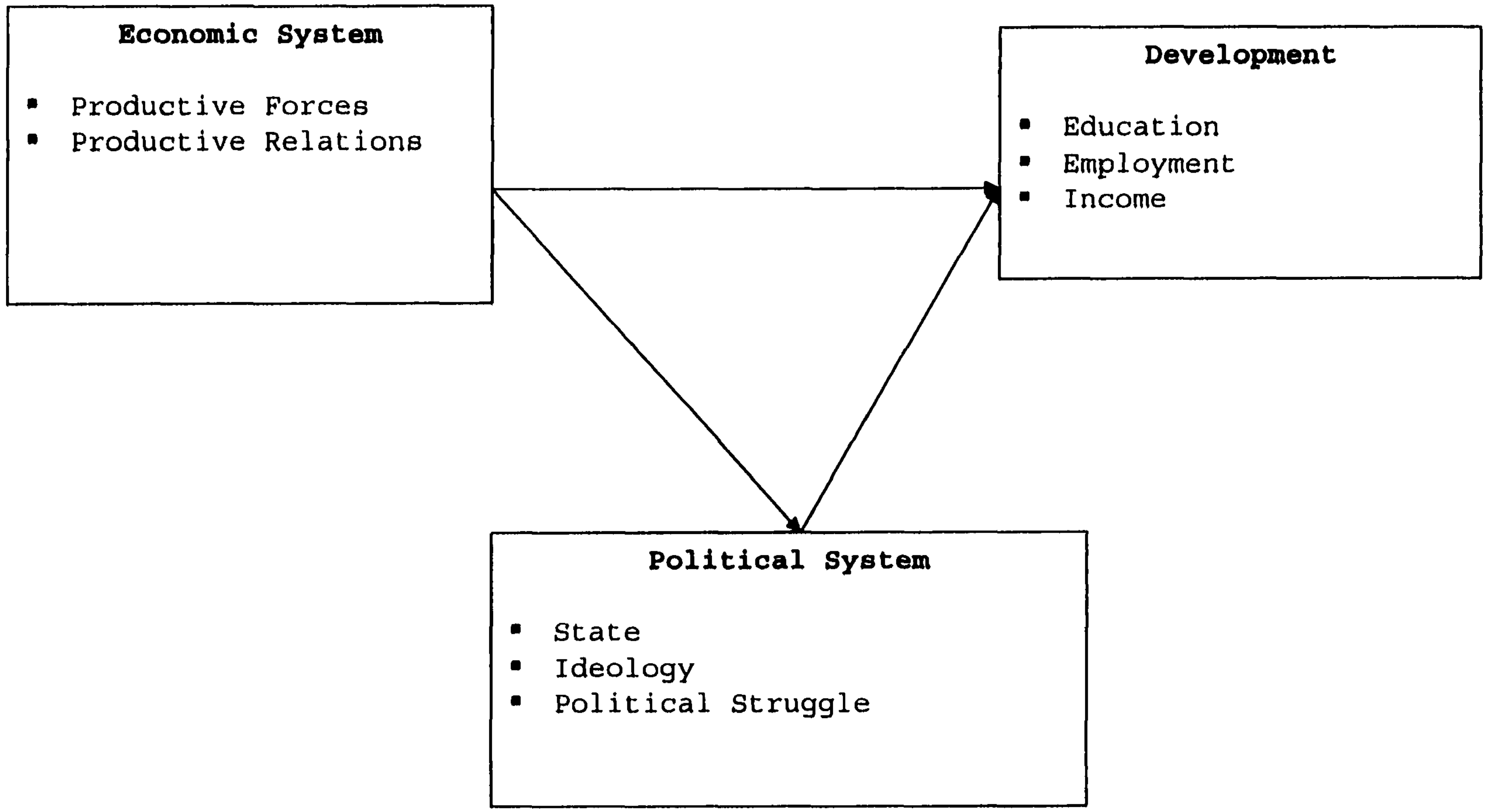

Figure 1 - Conceptualizing the impact of economic and political systems on the development of Kenya

Relations of Production "addresses the question of who owns and/or controls a society's productive forces" (Zeitlin 1997:159). It is the relationship of the owners of productive forces to the direct producers (workers). According to Berberoglu (1993), "the relations of production, together with the political superstructure that emerges from it constitute the very basis of the analysis of social classes, class structure, class struggles, and social transformation" (p. 13). In short, relations of production include ownership and control of the productive forces, labor and resources, the state policies and laws, and the distribution of the production.

Political System refers to the organized power of one class for oppressing another in a class divided society. "Political power, Marx and Engels point out, grows out of economic (class) power driven by money and wealth, but to maintain and secure their wealth, dominant classes of society establish and control political institutions to hold down the masses and assure their continued domination" (Berberoglu 1993:16). The political system includes the state (the supreme superstructural institution) and other ideological institutions that serve the interests of the propertied class in society (Berberoglu 1993), and the political struggles that arise as a fight against the political dominance of this class.

The *State* is an instrument of force to maintain exploitation and domination of the wealthy and privileged class over the laboring masses within the capitalist system (Berberoglu 1993; Ogot and Ochieng 1996). The object of the state is to enable the dominant class to establish, protect and enhance their economic and political interests and to suppress those of the ruled.

Ideology, which implies ideas, beliefs, culture, values, etc., reflects class interests and has the function of helping to maintain the existing class structure in the society from a Marxian context. In itself, ideology is not autonomous, but is a derivative from the material conditions and interests of those who produce it.

Political struggle is the struggle of the oppressed class against the political dominance of the propertied class. Class relations and domination, which arise from the relations of production, lead precisely to class struggles, that is, struggles for political power.

Development is not purely an economic affair, but rather an overall social process that changes with the creation of new tools and organization of work to produce the basic necessities for human beings in the society

(Rodney 1982). As a beneficial process, development should carry with it the idea of economic equality, greater human dignity, security, justice, and equity. All these features can be analyzed empirically by looking at some categories of quality of life, namely education, employment, income and health that determine the socio-economic development.

Summary

This chapter has presented and explained the theory of historical materialism, and the research questions, conceptual model and theoretical definitions of the concepts in this study based on the same theory. It has shown the importance of historical materialism over the main contending perspectives on the dynamics of development in Kenya. It has also shown the relevance of the perspective of historical materialism on the Kenyan case. It becomes clear that the historical materialist approach involves a systematic assessment of the following: historical development, material conditions, superstructural elements, and forces of change. These are further presented and discussed in the following chapter on methodology.

CHAPTER 4

METHODOLOGY

The present study uses the historical materialist method to describe and analyze relevant existing data on development to identify and critically examine the economic and political systems and their combined impact on the development of Kenya. This chapter is divided into two main parts. First, the chapter starts by describing the historical materialist method, followed by a presentation of the main variables of the study. The second part introduces data sources and how data are analyzed.

Historical Materialist Method

Historical materialism is an application of the principles of dialectical materialism to the study of society and its history. In essence, dialectics is the direct opposite of metaphysics while materialism is the opposite of idealism. According to Fishman (1989), "the methodology of dialectics (as opposed to metaphysics or mechanics) and the philosophy of materialism (as opposed to idealism) is the basis of a truly scientific study of a society. This methodology and philosophy, when applied to the subject matter of society and its historical development, is the basis of the theory of historical materialism" (p. 365). Unlike metaphysics, dialectics does not simply equate development with growth; rather it regards development as a process, which passes from imperceptible quantitative changes to qualitative changes in a rapid manner. The dialectical method holds that the process of development involves a transition - an onward and upward movement - from an old qualitative state to a new one, and occasionally by violent revolutionary breaks with the past.

The major scientific aim of Marx's historical sociological method is "to guide the exploration of the manifold and historically changing connections between the economy and all other facets of society" (Zeitlin 1997:181). History is indispensable for the study of society since an adequate explanation of social facts requires a historical account of how these facts came to be. The strength of the historical materialist method lies in the conceptualization of social phenomena within the realm of the material world to explain the interaction between ideas (theory) and social reality (practice). Stating the 'first premises' of materialist method, Marx and Engels remark that:

> Men must be in a position to live in order to "make history." But life involves before everything else eating and drinking, a habitation, clothing and many other things. The first historical act is thus the

> production of the means to satisfy these needs, the production of material life itself (in Derek Sayer 1975:780).

Production, therefore, is a precondition of all social life and history, and a materialist approach studies social life from a standpoint of the way in which people produce their means of subsistence[1]. It is the mode of production of material life that determines the nature of society, the character of the social system, and the development of society from one system to another.

Marx's concept of *mode of production of material life* encompasses the notions of *productive forces* and *relations of production*. While the former addresses the question of how a society produces its means of subsistence, the latter focuses on the question of who owns and controls the productive resources in the society. This conceptualization implies that various modes of production are successive stages in the history of human society. Each has its own structure and can 'reproduce' itself by maintaining both the forces of production and the relations of production. Each new mode of production generates the development of the forces of production, and in the process, brings about changes in its own functioning that inevitably lead to a

[1] These are means of life necessary for human existence, like food, clothing, houses, fuel, instruments of production, etc., which are indispensable for the life, and development of society.

breakdown of the existing structure and its replacement by another.

The historical materialist method requires the researcher to give due attention to the mode of production of a society (Zeitlin 1997). Whatever is the mode of production of a society, such is the society itself, its ideas, its culture, and its political views and institutions. In other words, the mode of production determines the social, political, cultural and spiritual life process in general. According to Gomes (1984), this process

> forces the materialist to acknowledge the existence of laws of social development; to understand how the superstructure is related to the basis on which it emerges; that society has developed through stages, driven on by the conflict of classes in society; that in the process of one socio-economic system coming into being and replacing another, certain ideas necessary come into being in order to justify, maintain and push forward the emergent system (P. 20).

One of the basic characteristics of production is that it is never stagnant; it is always in a state of change and development. These changes in the mode of production inevitably give rise to a new social system, which calls forth a reconstruction of the whole social and political order.

Berberoglu (1993) describes Marx's method of sociological inquiry as an organizational approach, which "emphasizes the centrality of social organization and focuses on class relations and class struggles as the motive force of social transformation" (p. 3). From this understanding of the historical materialist method, it becomes clear that "humanity is both subject and object, that the direction of history is objective but its pace is conditioned by the consciousness of its human actors, and that the intellectual and theoretical comprehension of society, history and revolutionary practice are dynamically interconnected through action, reflection and study" (Fishman 1989:365).

The historical materialist method is expressed in a dialectic of the subject and the object - a dialectical interaction between the subjective activity of human agents and the objective reality, which is independent of them. It is within the context of the methodology of dialectics and the philosophy of materialism that relevant existing data and information are analyzed to explain the nature and characteristics of the economic and political systems in Kenya and their impacts on development. The conceptual model (Figure 1) shows the main variables of the study and their interconnections.

The Main Variables of the Study

Economic System

The key independent variable of the study is the *economic system* - the base upon which all other aspects of social organization rest. This is measured in terms of *mode of production of material life,* which implies the totality of *productive forces and relations of production* at a particular stage of development of society. The productive forces include resources, labor, human knowledge/skills, tools and technology of production. The relations of production involve ownership and control over the productive forces, labor and resources, the state policies and laws, and the distribution of the production.

Political System

Political system is the intervening variable of the study. It refers to an organized power of one class for oppressing another in a class divided society. This is measured in terms of the *state, ideology,* and the subsequent *political struggles* in the form of opposition parties.

Development

The dependent variable of this study is *development*. It is described in terms of social changes, which are generated by the creation of new tools and organization of work to produce the basic human necessities and to improve the quality of life. Development is measured by analyzing *education, employment and income*. These three aspects are key in that they illustrate the socio-economic development, that is, development of the economy and social status of individuals.

Selection of Data Sources

The research methodology applied in this particular study did not involve the primary collection of data. Rather, the researcher carefully selected and analyzed relevant secondary data from the following sources:

1. Text books, journal articles and conference papers.
2. Magazines and newspapers.
3. Periodicals, reports and newsletters from the Kenya National Archives, the World Bank, and the International Monetary Fund (IMF).
4. Reports from Non-Governmental Organizations (NGOs).
5. The *Economic Survey*, an official document printed by the government of Kenya, which presents the annual general economy of Kenya, including employment and income.
6. The *Statistical Abstract*, a quarterly economic report published annually by the Kenyan government.

This report provides statistical information related to development.

7. The 1979 Kenyan Population Census Report, the fourth and last official general population census taken to determine the social and demographic characteristics of the population. From the census report, information about the nature and rate of internal migration and basic data on population characteristics such as education were obtained.

Data Analysis: Research Questions and Variables

Question one: What are the nature and characteristics of economic and political systems in neocolonial Kenya (1964-1994)? Analysis of the economic system is based on land distribution and agriculture, industry and manufacture, indigenous African capitalism, and the contradictions of neocolonial economy (1960s-1980s). The political system is discussed by examining the Kenyatta era (1964-1978) and the Moi era (1978-1992). The key issues analyzed during the Kenyatta era include: the consolidation of the first single-party era and ideology, conflict between the left and the right in the ruling party, Kenya African National Union (KANU), and the formation of the alternative party, Kenya People's Union (KPU), the little general election of 1966 and banning of the KPU, the use of state forces and economic conditions. The major issues during the Moi era include: the establishment of the Moi regime and its ideology, the economic decline, the coup d'etat and its aftermath, the use of the state as an instrument of force for domination, internal and external pressure for political pluralism, and the re-emergence of a multi-party system.

Question two: What are the impacts of the economic and political systems on the development of Kenya in terms of education, employment and income? In this question the impacts of the economic and political systems on development as measured by *education, employment and income* are examined. The analysis of the impacts of economic and political systems on education (1960s-1990s) includes an examination of the number of schools by province and category, educational expansion after independence, the government expenditure on education, as well as the student enrollment in both primary and secondary schools, the distribution of qualified teachers, and the distribution of secondary schools at the provincial level. The analysis of the impacts of economic and political systems on employment and income (1970s-1990s) includes an examination of the distribution of wage employment by major towns, distribution of employment among the provinces, gender inequality in the labor market, shares in employment (formal and informal sectors), distribution of non-agricultural income, distribution of workers by residence and, poverty and female and male earnings.

The analysis and discussions of the findings will proceed selectively, looking at the Kenyan society under neocolonialism, drawing on secondary materials, and connecting issues that those materials have not addressed. The analysis, which answers the first question, will interpret and discuss the total historical processes that characterize Kenya's economic and political systems. Data analysis for the second question will present percentage and frequency distributions that pertain to education, employment and income to illustrate the country's general trends of socio-economic development. Rooted in the historical materialist methodology, the analysis will emphasize the centrality of the mode of production as the basis for social relations and development.

Summary

The methodology for this study is a descriptive review, which utilizes carefully selected secondary data from research on development in Kenya during the neocolonial period. It is based on the historical materialist method that applies the principles of dialectical materialism to the study of society and its history. Following the methodology of dialectics and the philosophy of materialism, the total historical processes involved in Kenya's trends of development within neocolonialism are traced and analyzed. The methodology and analysis emphasize the centrality of the mode of production of material life. The next chapter will present the interpretation of findings, discussion, and analysis of the study.

CHAPTER 5

INTERPRETATIONS AND DISCUSSION OF THE FINDINGS

Introduction

Based upon the stated research questions, this chapter is divided into two major parts. It opens with a brief presentation of Kenya's general physical setting, its demographic outlook and economic potentialities.

Kenya covers an area of 582,646 square kilometers and with a population of about 29,004,000 (World Bank 1999). Four contrasting topographic regions characterize the territory: the Kenya Highlands, the Lake Victoria Basin Plateau, the Coastal Plain, and the Semiarid Plateaus. The patterns of settlement of major ethnic groups are varied and closely associated with economic, environmental and cultural factors.

After this general description, the present study undertakes an analysis of colonialism's impact on the neocolonial political economy of Kenya. This is justified because the present economic, political and social structures of the country have characteristics whose origins date from the incorporation of Kenya into the global capitalist economy through the process of colonization. This section provides a background for understanding why neocolonialism is in essence a continuation of colonialism.

The first part, which answers question one (What are the nature and characteristics of economic and political systems in neocolonial Kenya?) is divided into two sections. Section one analyzes the neocolonial economy by examining land and agriculture, industry and manufacture as the productive forces, the capitalist relations of production that emerged with the rise of indigenous African capitalism, and the contradictions of neocolonial economy (1960s-1980s). The second section analyzes the neocolonial political system through an examination of the Kenyatta (1964-1978) and Moi (1978-1992) eras. The main issues under consideration during the Kenyatta era include:

1. The consolidation of the first single-party era and ideology,
2. The conflict between the left and the right in KANU and the formation of the alternative KPU,
3. The little general election and banning of the KPU and,
4. The use of State forces and economic conditions.

The major issues of relevance to this study during the Moi era are:

1. The establishment of the Moi regime and ideology,

2. The economic decline,

3. The coup d'etat and its aftermath,

4. The use of State forces,

5. Internal and external pressure for political pluralism and,

6. The re-emergence of the multi-party system

Part two, which tackles question two (What are the impacts of economic and political systems on the development of Kenya in terms of education, employment and income?) is divided into two sections that examine, analyze and discus data on three selected indicators of development. Section one focuses on the impact of economic and political systems on education (1960s-1990s). The data used to measure that impact include: the number of schools by province and category; educational expansion after independence; government expenditure on education; enrollment of students in primary and secondary schools by province; distribution of qualified teachers by province, and the distribution of secondary schools by province. Section two considers the impact of economic and political systems on employment and income (1970s-1990s). Data analysis here centers on: the distribution of wage employment by major towns; distribution of employment between provinces; gender inequality in the labor market;

shares in employment (formal and informal sectors); distribution of non-agricultural income; distribution of workers by residence and poverty, and female and male earnings.

The Physical Setting and Economic Potentialities of Kenya

Any country-based contemporary analysis of development must be preceded by a consideration of the general framework of its physical and human settings within which the process of development has evolved. Kenya cannot be exempted from this generalization. The Republic of Kenya covers an area of 224,961 square miles (582,646 square kilometers); an area that is comparable to the state of Texas in the U.S.A. Kenya is composed of four contrasting regions: the Kenya Highlands, the Lake Victoria Basin Plateau, the Coastal Plain, and the Semiarid Plateaus.

The Kenya Highlands is generally described as the agricultural heartland of Kenya. It is characterized by rich soils that are most suitable for growing cash crops such as tea, coffee, wheat, maize, pyrethrum, etc. The Lake Victoria Basin is an area of considerable intensive agriculture, pastoral and fishing. A wide range of cash crops such as tea, sugarcane, cotton, rice, tobacco and maize can be commercially raised. The economic potentiality of the Coastal Plain hinges on the exploitability of land

and marine resources. The Coastal Plain offers considerable possibilities for agricultural development, especially for cash crops such as cotton, sisal, sugarcane, cashew nuts, coconuts, mango and other fruits, etc. The Semiarid Plateaus constitute the largest physical geographic region in Kenya, covering about 72 percent of the driest parts of the country. The area's extensive but potentially productive rangelands make it the basis of Kenya's livestock and wildlife economy.

The population of Kenya is estimated to be about 29,004,000 (World Bank 1999). One aspect of the demographic structure of Kenya is that the population is composed of several language groups and subgroups. The country's three major language groups are the Bantu, Nilotes, and Cushites. Most of these people were already in their present-day locations before colonization began. According to Ogonda and Ochieng (1992), the patterns of settlement and population densities were varied and closely associated with environmental and cultural factors.

The Bantu who were both cultivators and cattle holders occupied the fertile basin of Lake Victoria, the moist and warmer regions of the East Coast, and the perennially watered valleys surrounding Mount Kenya, Mount Elgon and the Abadare Ranges (Ogonda and Ochieng' 1992). The regions occupied by the Bantus are the most highly populated zones of Kenya. For many centuries the Nilotes pursued primarily pastoralism, an economic activity in which many of them still continue in independent Kenya. Today, the Nilotes are divided into three major branches: the Highland Nilotes, the Plain Nilotes, and the River-Lake Nilotes. Although the Highland Nilotes were predominantly cattle-keepers in the nineteenth century, some of them have turned increasingly to crop agriculture. The Plain Nilotes have continued to be primarily pastoralists. The River-Lake Nilotes who were mainly cattle keepers and fishermen with some crop cultivation, have today become sedentary agriculturists. Like the Plain Nilotes, the Cushites are primarily pastoralists.

The most outstanding feature of the distribution of the major ethnic groups in Kenya was the pattern of settlement, which was largely like agricultural islands in a veritable sea of nomadic pastoralists. The pastoralists dominated nearly all of Kenya's open plains, grasslands, and the semiarid parts of the North. The agriculturalists occupied the forested highland areas, the shores of Lake Victoria and the Coast belt. From these patterns of settlement, it is evident that land has continued to remain Kenya's foremost means of production. Kenyans of the past and present have depended upon the land, both as agriculturalists and pastoralists. If in the nineteenth century Kenya had a limited population to exploit it (about 2.5 million people); today it has more than adequate population (some 29 million people) who exploit its vast resources. If Kenya's domestic economy was basically subsistence economy in the nineteenth century, it remains to be seen in the subsequent findings and analyses how much it was to change, especially with its incorporation into the world capitalist economy since the last decade of the nineteenth century.

The Colonial Roots

This section provides a background for understanding how neocolonialism in Kenya is a continuation of its colonial legacy. Kenya's neocolonial economic, political and social structures have characteristics whose origins date from the incorporation of Kenya into the global capitalist economy through colonization. In this section we examine the following aspects of colonialism in Kenya (1880-1963):

1. The initial stage of colonialism;
2. The economic and political changes before World War II; and

3. The post World War II political economy and decolonization.

Overview

Kenya's links with Western capitalism and colonization began in the late nineteenth century. This was a period of expansion in the capitalist world economy in which, the world market was dominated by a few industrial giants such as Britain, France, and Germany (Gutkind and Wallerstein 1985). During this phase of expansion, there was an alteration in the world in terms of trade in favor of agricultural exports. Because there was a shortage in the supply of world raw materials, it became eminently profitable to initiate new production of agricultural exports in Africa.

The incorporation of the area now called Kenya into the British Empire marked the beginning of profound changes in the functioning of this society and social relations. Many of these changes were the result of the compulsions arising from what were, in the context of overall British colonial policy, a series of historical accidents. In the ten years between 1895 and 1905 the land we now call Kenya was turned into a harshly politicized colonial state. The British employed violence on a locally unprecedented scale to usher Kenya into the twentieth century. The imposition of colonial rule in Kenya entailed the process of Westernization and capitalist penetration of African economies. The sixty plus years of colonial rule had an immense impact in determining the political economy of modern Kenya.

The Initial Stage: Penetration and Settlement

For Kenya as for the rest of its African colonized territories, Britain's initial strategy was to develop and control sources of raw materials and to find profitable fields of investment. Britain's attitudes to colonial development were decisively conditioned by her needs as a major manufacturing and capital exporting country. The resulting demand for external markets and cheap sources of raw materials greatly influenced the British policy and the country's imperial expansion in the late nineteenth and early twentieth centuries. It has been illustrated convincingly elsewhere that Britain's accumulation of wealth from the seventeenth century onwards, was intimately bound up with the exploitation of its colonies (Rodney 1982; Zwanenburg and King 1975; Berman 1990). Unlike other African nations, Kenya possessed little mineral wealth or other natural resources capable of easy exploitation. Kenya's economic development and exploitation was a by-product of the decision taken in 1895 by the British to construct the Uganda Railway from the Coast, at Mombasa, to the fertile belt around Lake Victoria. This was to allow a full incorporation of the East African Protectorate, which included Uganda, into the rapidly expanding system of world trade.

It was not until the construction of the Uganda Railway in 1901 that significant European influence took place in Kenya (Cheru 1987; Leys; 1975; Collier and Lal 1986; Miller and Yeager 1994). The principal economic effect of the railway was to link Kenya with the international economy by enormously reducing inland transport costs. Since the main objective of the colonial administration and White settlers was to establish a raw material exporting economy that would support metropolitan factories, the rail transport system was overwhelmingly the means of outward flow. The railroad also facilitated the transportation of essential manufactured goods for the colonial market.

The construction of the railway spearheaded the integration of Kenya into the colonial system. As a result, Kenya became fully incorporated into the rapidly expanding system of world trade. The British policy during the following years was determined by the need to make the colony pay its own way, that is, to pay back the loans for the railway and put an end to the annual grants from Britain for the administration of the protectorate (Cheru 1987; Leys 1975).

To accomplish the task of repaying loans used for constructing the railway and to terminate the annual grants from Britain, the land had to be made productive. The colonial administrators of the time saw extensive White settlement as the means of making the land produce for export. It was proposed that "the settlers would invest and produce crops; the railway would earn revenue by carrying them to the Coast, and by carrying the imports inland they would earn abroad, and the government would finance its activities by levying tariffs on these imports" (Leys 1975:28). This would eventually lead Kenya to play the classic role of a country at the periphery of the capitalist system, producing raw materials for export in exchange for manufactured goods from the West (Cheru 1987; Leys 1975). The fundamental question of this period centers around who was to own and manage the land in Kenya in those years.

The history of settler occupation of Kenya from 1900 is indissolubly linked to the railway construction. As stated earlier, the railway was built using British government funds and represented the most expensive official expenditure in the newly acquired territory. Once the railway had been constructed, it had to be put to profitable use by stimulating agricultural production in the interior. This ideology became the very basis for framing the policy of the British financial oligarchy in reaction to the colony. The aim of the British financial capitalism was "to turn the area to production not for the sake of Kenya, not for the well-being of the native population as such, not for that matter of the White settler as such, but for the reproduction of British finance capital and the wealth of the parasitic imperialist bourgeoisie which, though nowhere to be seen on the spot, was acting through its agencies" (Nabudere 1981:52). The British instituted entirely new land tenure and land use systems in Kenya after 1900. In the process, they dealt simultaneously with the question of "who" would use the land.

The British policy makers under Commissioners Hardinge (1895-1900), Eliot (1900-1904), Stewart (1904-1905), and Sadler (1905- 1906) "concerned themselves with the issue of who was to own the productive land and thus directly manage agricultural development as perhaps the task with the highest priority in colonial administration" (Wolff: 1977:51). The solution was to recruit more European settlers. Between 1905 and 1906, the number of European settlers increased by 100 percent, that is, it moved from 954 to 1,814 settlers. After 1905, the question of who would take the lead in economic development had been decided. The new territory was now to be developed by Europeans as "a white man's country" (Maloba 1993:24). How development proceeded remains the great question. The answer depends mainly on the interaction of settlers, concessionaries, and local and London officials on the one hand, and on the role of African population on the other.

Having at last resolved the settlement question, the colonial administration began the alienation of land to white capitalist farmers. Indeed, a fundamental dimension of the economics of colonialism was the transfer of land from African to European control. Other dimensions of this policy include: the creation of a wage earning class and the conditions necessary for its employment, the creation of an elaborate program of a state assistance to settler agriculture, and the creation of state apparatus to maintain the whole economic structure. These are examined in the following sections.

The Economic Change and the State Before World War II

The initial expediency of promoting European settler immigration and granting concession of lands, either temporarily or experimentally, as it appeared, presupposed that the local authorities had to provide good land. In 1905 a report of the land committee stated that, "the settlers argued that since the profitability and viability of the Protectorate depended upon them, the administration should give European agriculture every freedom and assistance that the European settler community deemed necessary" (Wolff 1977:56). Indeed the first demand of the settlers was for exclusive land rights for Europeans in the Highlands. Eventually, the Kenya Highlands were alienated to the Europeans at nominal prices from the colonial administration. The land given to the European settlers was situated in the region of Kenya generally most favorable to agricultural production. With few exceptions, the elevation there is over 4,500 feet above sea level, and this area (15 percent of Kenya) supported over 75 percent of the population - Black and White throughout the colonial period. The areas designated for European settlement were among those with the highest and most advantageous levels of precipitation.

Having attained the land at an inflated price, white settler farmers had a difficult time making their farming a profitable venture due to lack of knowledge and capital. Moreover, they were faced with the problem of the availability of labor "at a wage which would enable them to price their produce competitively in either the domestic or world markets and still earn a living which was roughly comparable to those fellow settlers in other white dominions" (Collier and Lal 1986:28). This became the main cause for the enormous exploitation of labor that took place in Kenya. The settler farms had to have cheap wage-labor to be economically viable. In addition, the settlers were quite aware of the fact that African peasant farmers, who had lower personal consumption demands, could produce and sell at lower prices. If this situation was allowed to continue, African production would undercut European production in the product market, and, by offering an alternative source of cash income, drive up wage rates of European farms and plantations. Indeed, between 1912 and 1913, African production had accounted for at least 70 percent of exports (Langdon 1975).

Given their desire to make estate agriculture viable, the White settlers and the colonial officials were thus compelled to devise methods to drive Africans into labor on European farms at wages below the competitive level. To achieve that aim, they used a variety of mechanisms, namely: outright compulsion, cash taxes, restrictions on African cash crop production, and most devastatingly, the manipulation of African access to land. The political and economic implication of these mechanisms was that Africans would be treated as laborers, providing labor, which would in turn give settlers the prosperity needed to a secure life.

In the critical decade before World War I the principal structures of the political economy and state in colonial Kenya were laid down. By the eve of World War I the colonial state in Kenya had already started to acquire certain readily identifiable characteristics that would mark its structures and process through subsequent decades. Among the most significant aspects of the political heritage of colonialism were the emergence of an authoritarian structure of government, and the statist policies of administrative control and centrally directed development. The emphasis of British colonial authority on law and order and the response of the indigenous peoples to it formed key elements in independent Kenya's political inheritance. According to Maxon (1994), the colonial powers did not entrench liberty, equality and democracy in Kenya. "Rather, the colonial legacy was one of authoritarian administration, the absence of genuinely representative government, exploitation and underdevelopment, and social inequality" (Maxon 1994:33).

A particularly significant dimension of the colonial policy was the 'divide and rule' tactic. This involved, first and foremost, the creation of distinct ethnic identities or "tribes." Before colonialism, ethnic identity was much more fluid and could not in any sense be characterized as a tribe. As Lonsdale (1977) argues:

> African households bound themselves together in clans out of previously scattered allegiances, the better way to claim or repudiate the right of chiefship. At a wider level, district boundaries, lines on the map rather than shifting margins of subsistence and trade, began in the same way to mark out 'tribes' which claimed the ethnographic purity that the British expected of them, quite unlike the hospitable eclecticism that had existed before (P. 45).

Ethnicity and 'tribal' identity became essential attributes of the colonial experience. Developed and solidified in the initial years of colonial rule, ethnicity would come to form the basic framework for African political activity for decades to come, as the colonial state continued to practice a policy of divide and rule by maintaining a system of local administration based on ethnically distinct locations and districts (Maxon 1994). Ethnicity, or tribalism, thus became embedded in the administrative system, and therefore in the politics of Kenya, from the earliest days of the colonial era.

An equally significant dimension of the colonial policy was the subversion of traditional African social and economic values. Those people who aided the colonial state in its establishment received considerable material rewards. In addition, the consolidation of colonial rules at the local level went hand in hand with appeals to personal gain and bribery. Inadequate pay for chiefs increased the inclination of some to turn to corruption. Consequently, it can be argued that corruption stemmed directly from the functioning of the colonial system and was not a traditional inheritance. Also embedded in Kenyan political life as a result of colonialism was the establishment of a central government authority. "Initially consisting of a small bureaucracy supporting a governor, the colonial state was, from the first, characterized by a powerful executive backed by military force. Most executive and legislative functions were vested in the governor" (Maxon 1994:36). Thus, an all-powerful executive and the absence of a separation of powers characterized the authoritarian colonial state.

Besides establishing control of Kenya, the colonial state also promoted the penetration of commercial capitalism. The critical underlying issue in the political economy of Kenya during the first decades of White settlement was the supply and control of an African labor force for settler estate production. Because the settlers were unable to supply the requisite coercion, a system of state labor control was developed. This system contained, controlled, and legitimized a massive application of official coercion to sustain servile relations of production in estate agriculture.

The colonial state served as an instrument of primitive accumulation by introducing taxation, creating marketing and financial structures, appropriating land and livestock, instituting forced labor, and building port facilities and railways. The colonial government used a combination of economic pressure and outright coercion to promote commodity production and/or work for wages on settlers' farms. The Africans had to be compelled to work, partly by force, partly by taxation, and partly by preventing them from having access to enough land or profitable crops to enable them to pay taxes without working for wages (Leys 1975; Cheru 1987; Fieldhouse 1986).

The interwar period brought important development in the colonial state in Kenya. First, there was a consolidation of a particularly coercive state apparatus through provincial administration. Second, the period saw a simultaneous growth of the state apparatus as an instrument of class interests. From the outset of British rule, a European settler class was established in Kenya and with the development of a market economy, other forms of production became subjected to the needs of capital. The dominant settler farmers controlled the means of production and exchange within Kenya through the state apparatus. As the dominant fraction of settler capital continued to determine the ownership of resources and distribution of surplus in Kenya, the essence of the colonial economy came to rest on monopolies.

The Europeans had a monopoly of high potential rich land in the Highlands, and agricultural labor reinforced by the state through forced labor and taxation of the Africans. At the same time, they had monopoly of the most profitable crops (e.g. coffee, which the Africans were prevented from growing on a wide scale) and the most profitable market. The Europeans also monopolized government services, especially infrastructural developments. This system of racialist rules and regulations worked to guarantee a highly differentiated access to resources and opportunities between Europeans and Africans.

While the expansion of the state's role in the economy had important implications for the future, the colonial state continued to manifest a decidedly authoritarian pattern during the interwar period. This period remained one of law and order. In addition to the almost total absence of democratic initiatives between the wars, the colonial state's administrative and political policies continued to support policies that fostered regional and racial differentiation. This rested, first and foremost, on economic divisions brought by colonial rule that produced White capitalist farmers, Asian merchants, African workers, commodity producing peasants, and petty bourgeoisie.

Ethnic, regional and racial segmentation also characterized the period as diverse interests found expression in various forms of political activity. The class and ethnic divisions that had manifested themselves as a result of colonial rule had substantial impact on forms of African political organization and activity. This outcome was to have immense impact on the future shape of politics in Kenya. Indeed, most political activities during the interwar period were 'local' in nature in that they focused on localities normally inhabited by a single ethnic group. "Another significant factor in local political activity was the existence of patterns of clientage. Poorer men lined up behind the wealthy, often within the context of existing kinship ties" (Maxon 1994:42).

These trends demonstrate how the colonial conquest of Kenya did not merely establish alien political domination, but also created conditions conducive to the penetration of capitalism in a more fundamental and dynamic manner. The capitalist penetration of Kenya produced dramatic changes in Kenya's traditional economic system and introduced new elements of exploitation and unequal exchange. The imposition of colonial rule affected the articulation of indigenous modes of production and brought about the integration of African economies into the Western capitalist system.

The Post-World War II Political Economy and Decolonization

The post war period in Kenya under colonialism was marked by a rapid expansion of both agricultural and industrial production. The process of mechanization of the settler agriculture that began during Second World War accelerated the expansion of the capitalist forms of production and the liquidation of manual and ox-drawn labor from the Highlands. While modern technology meant expanded production on land to the settlers, it rendered the squatter hoe cultivation on which they previously depended obsolete. Capital and technology drove the squatters from the surface of the land.

Between 1954 and 1969, Kenya was transformed into a 'developing nation' characterized by international capital and internal contradictions and struggles that were managed at the national level by a state under the control of an indigenous dominant class. The character of this transition was largely determined by

> a series of changes in the articulation of international capital with indigenous social forces, particularly the peasantry and the petty bourgeoisie; in the relations of production within the dominant sector of capital in Kenya; and in the structure of the state and pattern of class alliance and collaboration necessary to manage and stabilize the political economy (Berman 1990:378).

Out of these changes emerged a purposive logic of decolonization that materialized in the 1960 to 1963 period.

The desire to promote rapid economic development led directly to what has been termed the "recolonization" or "second colonial occupation" of Kenya (Maxon 1994:45). The second colonial occupation reemphasized and reinforced the authoritarian nature of the colonial state. The active intervention of the metropolitan state meant that the order and a stable relationship with the metropole required a reinstatement of the petty bourgeoisie 'loyalists' to political leadership of the mass of the African bourgeoisie. The opening of electoral politics to Africans further reinforced the reassertation of petty bourgeoisie political leadership. With restrictions based on age and education, as well as property and occupation qualifications, the elections favored the leadership of the educated and wealthy group who had not been detained during the Emergency[1].

A major concern for the colonial and metropolitan authorities was the integrity and continuity of the state apparatus itself. Specifically, they wanted to guarantee that the nationalist politicians gaining access to political positions would not seek to make radical changes in the institutions and the political economy that colonialists had supported. This required convincing the African politicians of the indispensability of the state apparatus for political stability and economic growth. Internally, the process involved:

> First, the establishment of an interim control structure that would remain in the hands of the senior colonial officials and the metropolitan authorities until the very moment of independence. Second, the permanent secretaries in the ministries played a key role in socializing the nationalist politicians and see that he did not go off the rails in his desire to change things. Third, a belated start was

[1] The declaration of the State of Emergency in Kenya in 1951 was a violent culmination of the political struggles carried out by the MAU MAU movement whose members were either detained or killed.

> finally made in training and promoting Africans to senior posts in the Provincial Administration and the central government, with the first regular African district officers appointed in 1960, and the pace of Africanization accelerating rapidly in 1962-3. The bulk of this new cadre was drawn from loyalist Africans, first recruited into government service during the Emergency, and these would dominate the bureaucracy of an independent Kenya (Berman 1990:414).

Similarly, the process externally involved:

> Linking key policies of transitional agencies and governments in a manner that would deter any radical changes or default on agreements. The crucial institution in this regard was the World Bank, which provided loans for the agriculture settlement and development programs, and financed and approved staff appointments for the Agricultural Development Corporation (ADC) (Berman 1990:415).

The institutional and ideological reinforcement for Kenya's commitment to capitalism and to its place as a developing nation in the world capitalist system came from the rapid growth of the apparatus of development assistance. As the great majority of colonial officials were departing, the remaining few were joined by a new generation of expatriates who served as project field staff. This new breed of colonialists became key technical and advisory personnel of those who headed and managed the state apparatus. These processes eventually facilitated the transition of the colonial political economy to a neocolonial relationship under the leadership of African petty bourgeoisie. Kenya's ties to Britain, the United States and international agencies such as the World Bank tightly integrated it into the capitalist world system than it had been before. By the time of independence in 1963, Kenya inherited an eroded political economy that was already organized for the benefit of Europeans and those African petty bourgeoisie who came to dominate the state. Meanwhile, the important question of structural transformation for the majority of Kenyans as expressed in the political struggles was put aside.

In the rush to independence, little was done to overturn the authoritarian and statist character of the political system. "The destination might be different, *Uhuru* (freedom) rather than extended colonial rule, but the state continued as chief engineer" (Maxon 1994:52). Kenya's basic economic and political structures remained essentially unchanged during the transition to independence. It was transformed into a neocolonial society fundamentally based on colonial economic and political structures, that is, a development of certain characteristics already formed in the earlier period.

The Nature and Characteristics of the Economic and Political Systems during the Neocolonial Period

The following section begins the analysis and discussion of the findings for question one: What are the nature and characteristics of the economic and political systems in neocolonial Kenya? The analysis is divided into two parts; the first one deals with the neocolonial economy, and the second with the neocolonial political system. The neocolonial economic and political systems constitute the key independent and intervening variables of the study (Figure 1).

The Neocolonial Economy

In this section an analysis and discussion of the nature and characteristics of neocolonial economic system is undertaken. This is done by examining the following factors:

1. The productive forces (land and agriculture, and industry and manufacture);
2. The capitalist relations of production through the emergence of indigenous African capitalism; and
3. The contradictions of neocolonial economy.

Overview of Neocolonial Economy

After long years of colonial rule, Kenya displayed characteristics typical of an underdeveloped economy at the periphery. These include the dominance of agriculture, the preponderance of foreign capital, the limited development of industry, as well as the heavy reliance on export of primary products and on imports of capital and consumer manufactured goods (Leys 1975; Cheru 1987). This state of the economy implied that an independent Kenya would have to formulate policies that would not only reduce poverty, but also put the economy into the hands of its indigenous people. The major principles and strategies of Kenya's development after independence were laid down in the Sessional Paper number 10 of 1965 entitled "African Socialism and Its Application to Planning in Kenya" (Ochieng 1996; Kibwana et al. 1996; Cheru 1987). In this paper the government rejected both Western capitalism and Eastern communism on the basis that African socialism would guarantee every citizen full and equal economic and political rights.

The Sessional Paper indicated that "under colonialism, the people of Kenya had no voice in government; the nation's resources were organized and developed mainly for the benefit of non-Africans; and the nation's human resources remained largely uneducated, untrained, inexperienced and not benefited by the growth of the economy" (Ochieng 1996:264). In this paper the political and economic philosophies of the Kenya African National Union (KANU) government were also outlined. The main features of African socialism were:

1. Political democracy,
2. Mutual social and political responsibility,
3. Various forms of property ownership so that nobody would have too much power,
4. The control of wealth so that it is used in the interest of society,
5. Freedom from want, disease and exploitation, and
6. Progressive taxation to narrow the gap between the rich and the poor (Ochieng 1996:85).

After gaining independence, the Kenyan government intended to mobilize its resources to achieve a rapid rate of economic growth for the benefit of its people. However, Kenya's economic policies were, and still are, heavily geared towards a mixed economy rather than to socialism. From independence onwards, "Kenya's leadership opted for a clear strategy of economic growth based on a determination to keep existing ties with the major Western industrial nations, especially Britain, in order to gain foreign aid and investment built overseas markets for her products and expand tourism" (Ochieng' 1996:85). Moreover, on page seventeen of the Sessional Paper number 10 of 1965 it was written: "We shall welcome both government and private investment in Kenya. We shall also encourage investors to participate jointly in projects with our own government" (Ibid. 265). In a later Development Plan (1979-1983), Kenya's commitment to private and foreign investments is again stated:

> The government will continue to maintain the policy of a mixed economy. The target of high growth rate of the sector will require substantial resources for investment. Greater reliance will be placed on the private sector investment, which will include investment from abroad. As in the past, the government will continue to welcome foreign investment to provide adequate measures to safeguard such investments. Foreign enterprises will be welcomed and will be assured the possibility of adequate repatriation of profits (Cheru 1987:75).

Cheru (1987) points out that this approach reflects the belief that broader social justice for the majority of Kenyans could only be achieved by pursuing a development strategy similar to the colonial economic structure. In essence, this new strategy advocated for the maintenance of the main elements of the colonial economic plan approach. The government concentrated on growth of production rather than redistribution of resources. In the process, nationalization and state ownership have not been practiced to any significant extent since independence. Moreover, Kenya has relied heavily on private ownership and market forces paving the way for the penetration of foreign investors and multinational corporations into the Kenyan economy in a big way.

There was nothing particularly 'African' or 'socialist' about the content of the African Socialism development plan. As Kibwana et al. (1996) argue, "It simply affirmed the system that the colonial government had developed over the previous seventy or so years: a capitalist system whose mainstay was private ownership of the means of production and private enterprise, with government intervention through limited public ownership and a wide range of government subsidies and control, all in the interests of finance capital" (p. 22). In more conventional terms, 'African Socialism' may be described as a capitalist strategy both in domestic policy and in policy towards the world system.

After independence, one of the major objectives, as indicated in the Sessional Paper number 10 of 1965, was to remove inequalities inherited from colonialism. The uneven penetration of capitalism through colonialism had made some parts of Kenya to be highly economically developed and modern, while others still used indigenous modes of production. It is important to continue this analysis by asking two questions: To what extent has the postcolonial state guaranteed the promise of egalitarianism to its citizens? Has the economic growth and the mechanisms of transfer of wealth to the Africans removed the inherited inequalities? To answer these questions, some of the major neocolonial economic realities are examined, specifically land and agriculture, industry and manufacture, and indigenous capitalism.

Land and Agriculture

Kenya is primarily an agricultural country and right from its independence, Kenya regarded agriculture as the crucial springboard of its economic, industrial and social growth. Still today, the majority of Kenya's industrial establishments are primarily concerned with the processing of food and other agricultural products. Since independence, the agricultural sector has accounted for some 35 to 40 percent of Kenya's GDP, compared with 10 to 12 percent from manufacturing, 10 percent from commerce, and 13 to 15 percent from the government sector (World Bank 1975). The system of agricultural surplus extraction built-up during the colonial period seemed to have been carried over almost intact into the era of political independence. Government agricultural policy of land transfer and settlement programs in the former Highlands remained relatively meager.

Land reform in post independent Kenya has been characterized by two distinct types of government programs. The first provided for the transfer of European farms to African ownership, and the second for land consolidation, registration, and the provision of ownership on the basis of individual tenure in the former African reserves. The former White Highlands consisted of approximately 3 million hectares of land. About 1.6 million hectares had been utilized for estates (coffee, tea and sisal) and large ranches for livestock. The remaining 1.4 million hectares, held as mixed farms, became the focus of most of the smallholder settlement schemes (Maxon 1992).

(1) Major Land Programs for Transfer/Settlement

In this first type of land reform, which provided programs for the land transfer, the government undertook the purchase and subdivision of settler farms for ownership by African small holders. It was assumed that more intensive use of land by small holders would lead to increased outputs and enable the farms to earn higher incomes than they had been able to under colonialists. Of course, land reform was also intended to provide an agricultural livelihood for thousands of landless people. Initially, the new inhabitants were first divided into three principal categories as shown:

1. Small Settlement Schemes: These comprised land primarily in the mixed farming areas of the high density and low-density areas. These were in what may be called the sub-periphery of the highlands - that is, outside the Highland perimeter which included the Million-Acre-Crash-Program. In other words, these were what may be called 'Disguised Peasant Settlement Schemes.'
2. Medium Size Settlement Schemes: These were situated in areas in the zodiac of the Highlands which were acquired by either co-operatives or individuals. The latter group comprised mainly the few elite (local politicians, businessmen, senior civil servants, and some non-citizens living both within and without Kenya, but who had friends in the country). The minimum number of acreage each individual acquired is estimated to be between 25 and 30 acres.
3. Large-Size Settlement Schemes: These were areas of the former scheduled area (highlands) but which had remained idle (uncultivated). Such areas were taken over by government either in joint ventures with private companies or independently on a minimal basis only through the sponsorship of the African Development Corporations (ADC) (Osolo-Nasubo 1977:206).

Later on, however, these categories were reduced to two: the first one was named Peasant Settlers while the last two were combined to form 'Yeoman Settlers Scheme' (Assisted Owners Scheme). It is estimated that the latter received an average of 12 to 15 acres while the former received as little as three acres (Osolo-Nasubo 1977).

Nonetheless, there was not enough land to satisfy all those who were eligible.

Due to the fact that there was more demand for settlement than the available land could accommodate, the government expanded its settlement program by introducing several small-scale farmers' schemes. With funds provided by Great Britain, the Kenya government launched several schemes to buy out European settler farms, subdivide the farms, and sell those units to Africans on credit. The most significant in this regard was the Million Acre Scheme, which began in 1962 and ended in 1970 (Maxon 1992; Osolo-Nasubo 1977). This scheme was primarily intended for peasant farmers with little or no money. It applied to the semi-productive areas located in the former White Highlands. According to Osolo-Nasubo (1977), "each scheme covered approximately 10,000 acres and comprised about 300 small farms with an average of 3 to 12 acres per peasant farmer" (p. 213). Because of inadequate funds and acreage, hiring of labor in these farms was impossible.

The *Harambee* (meaning united effort) Scheme, implemented in 1969, consisted of a single scheme taking up slightly less than 6,500 hectares of land. About 431 farms were established under the scheme and they averaged 16.25 hectares per family (Ibid.). These farms were originally intended to be based on a mixed farm economy emphasizing maize production and cattle raising. Because of continued administrative difficulties resulting mainly from former European settlers who were part of the administration, and whose ideas and objectives were against Africans taking over the land, most of the *Harambee* schemes were cancelled.

The *Haraka* (Quick) Scheme was specifically meant for squatters on European farms. The squatter problem in Kenya is as old as colonialism itself, which involved the alienation of African land by the influx of European settlers. Some of the Africans who became destitute as a result of losing their land, resolved to 'squat' on the European settler farms. Few of these were granted permission by European farmers to live on these farms on condition that they supplied their labor power to their European bosses. Those who did not get such permissions were subject to eviction with or without due notice.

Hastily established in the mid-1960s, the *Haraka* scheme merely sought to provide destitute peasants with small acres of land, smaller than those under the Million Acre Program. *Haraka* schemes were established in Central, Coast, Eastern and Rift Valley Provinces. The selection process that granted land to settlers under this program was very poorly executed. Siedman (in Osolo-Nasubo 1977) noted that:

> Although the laborers who had formerly been working on each farm were originally expected to receive priority, the final approach was apparently to remove all those who were not members of the tribe to which the settlement was to belong. From those remaining, only those who had worked there for four years were permitted to stay… the rest were forced to leave, not infrequently to 'squat' on neighboring large farms from which they had to be removed, in some cases by police action (Osolo-Nasubo 1977:232).

Further, the settlement authorities undertook little development work and the government made no special arrangements to supply the squatters with loans to develop their lands. Following sustained criticisms, the government soon came to view the results of the *Haraka* schemes as not very satisfactory. Consequently, the *Haraka* and *Harambee* schemes were discontinued in 1974 and replaced by the *Shirika* (company) Scheme.

The *Shirika* scheme began in 1971. Its primary goal was to settle landless and unemployed people on large, formerly European-owned farms, which had been left largely intact. While each family was allotted a plot of about one hectare for subsistence farming, the rest of the farm was kept as a single unit under a manager with the settlers paid for their work on it (Maxon 1992). The aim was to eventually transfer responsibility for the farm to a co-operative society formed from the tenants. However, this move did not succeed because most African families wished to own and operate their own individual holdings. According to Maxon (1992), "it was also argued that the creation of small-scale units held significant economic advantages over the proposed large-scale units" (p. 275). As a result, *Shirika* farms were subdivided into small-scale units for both the ex-squatters and more affluent farmers seeking more land.

The Ol Kalou Settlement Scheme was started in 1964. This land totaling about 130,000 acres was originally bought by the government from European settlers with the purpose of expanding it and turning it into large scale co-operative farming units. It was hoped that the scheme would accommodate about 2,000 families. Each family was given a small plot for food production while most of the land was operated as a large-scale state-farm unit. However, pressure from the settlers for subdivision undermined the feasibility of this plan, and by 1983 the entire salient had been completely partitioned into plots of varying sizes.

According to the government's Development Plan for 1966-1970 period, 100,000 acres of land were transferred for settlement, out of which, 80,000 acres went to the large African farmers and 20,000 acres to the peasant farmers (Republic of Kenya 1965). In so doing, the government neglected the needs of the landless peasants. The process of subdivision of the group-owned large farms, coupled with the changes made in the *Shirika* and Ol Kalou schemes, illustrate that more of the former White Highlands have come under smaller agricultural units than was the intention in the 1960s.

Any economic assessment of the land settlement schemes must take into account the fact that the reasons for their implementation were not strictly economic, but also political. Based on this consideration, the outcome was as much a success as it was a failure. More prosperous Africans gained a variety of lucrative opportunities in agriculture and commerce. However the settlement schemes did not come near to solving the problems of the thousands of families left either landless or with inadequate land by colonialism.

(2) Land Registration, Consolidation and Individual Tenure

This second type of land reform did not only affect farmers obtaining land through settlement schemes, but also had a great impact on what was known during the colonial era as the 'African Reserves.' With the land transfer program, "the hundreds of thousands of Africans who moved into the former European farms were part of a much larger social and economic transformation - the consummation of the switch from a variety of pre-colonial systems of production and exchange to 'peasant' production throughout Kenya" (Leys 1975:64). The whole structure of the emergent peasant farming economy, land use, crop distribution, technology, farm organization, labor utilization and farm income, was in a state of flux. To control and mold all these changes so as to incorporate them into the wider framework of capitalism called for new policies and institutions.

Beginning in the Central Province in the 1950s, a fundamental change in the system of land tenure was brought about. Two central policies during the 1960s were the individualization of land tenure and the differential provision of credit. These were supplemented by a wide variety of institutional mechanisms designed to integrate peasant production into the established capitalist economic framework. As Ochieng (1992) argues, the decisions regarding African land tenure and registration

> were contained in the recommendations of the East African Royal Commission of 1953-1955, which deprecated the system of African communal land ownership and argued for individual title deeds, and also in the Swynnerton Plan of 1954, which argued that the reform of African land tenure was pre-

> requisite of agricultural development" (P. 268).

The 1954 Swynnerton Plan had made the consolidation of scattered fragments of land into a single holding, and the provision of individual title deeds a government policy. Begun under colonialism initiatives, the Swynnerton Plan was continued and expanded after independence. It was argued that consolidation, enclosure, and registration of title would make credit obtainable for improvements, and enable progressive farmers to acquire more land.

The main architect of the new agricultural system was Bruce Mackenzie[2]. His appointment served to reassure the remaining European farmers of their safety and secure their co-operation in maintaining output while the land-transfer program continued. Indeed, Mackenzie nominated a number of these European settlers in key positions within the new structure as chairmen of some of the corporations and most of the marketing boards. Moreover, he brought expatriate manpower from several Western aid agencies into the new institutions and into his own ministry. "In no other sphere was the transition from colonial political control to one of pervasive metropolitan influence - based on advice, technical assistance and credit - so clearly visible" (Leys

---

[2] **Bruce Mackenzie was a former settler farmer who had been one of a small group of leading Europeans to join KANU on its formation in 1960. He became a minister of Agriculture under Kenyatta in 1962 and remained in this post until 1970, when he retired from politics.**

1975:65). New institutions such as the Agricultural Finance Corporation, the Agricultural Development Corporation, the large-scale Farmers Training Center and many others were grafted onto the existing structure of agencies, boards and farmers' organizations.

The new agricultural system was purposely made and well backed by external funds and manpower. The tensions and conflicts arising from this process of rapid economic change and social differentiation were moderated and contained by the government of Kenya. As indicated earlier, the land transfer program involved the movement of a mass of African peasant farmers into the former White Highlands. However, it is important to note that along with this, a small stratum of Kenyan politicians, civil servants, and traders aspired to take the place of the European settlers as large-scale capitalist farmers.

As Leys (1975) contends, "the mechanisms which had formerly secured the privileged position of European mixed farmers had to be kept in operation in their interests, as well as those of the remaining Europeans; indeed the incoming African large-scale farmers needed even more protection than the White predecessors" (p. 65). As a result, the contradictions of underdevelopment would express themselves in agriculture, as in other sectors of

Kenyan society. However, the policies followed in the 1960s ensured that when this happened there would be a structure of agrarian interests and a strong institutional apparatus to resist demands for radical change.

Although individual forms of land tenure had existed before, alongside communal forms in Kikuyuland and neighboring Embu and Meru, it was widely spread to other parts of Kenya with the introduction of colonial monetary economy. In addition, changes which were occurring in the colonial economy as a whole after World War II forced the individualization of land tenure. The clearances of squatters from European farms as land was fenced for cattle aggravated the now serious pressure of population in the reserves, and land fertility declined in many areas. To restore and increase land productivity in the reserves required a long-term investment in the land. This implied that some form of security of tenure was needed. The significant issue over which the question finally crystallized was the provision of credit. According to Sorrenson (in Leys 1975):

> As was soon to become obvious, agricultural credit could hardly be issued to individual if the title to land was to be vested in some vague entity called the kinship group, the community, or the tribe. Yet the issue of agricultural credit was essential if

> farming was to be adequately capitalized
> and improved (P. 67).

As it appears, once the need to bring Africans' lands into production for the existing markets without preference to established European production, the question of introducing any form of tenure other than individual tenure disappeared from view. During the 1970-74 government plan, this would consume 16 percent of development expenditure on agriculture (Republic of Kenya 1969). The driving force towards complete individual land tenure was not so much its particular merits but it flowed logically from the decision to accept the structure of the colonial economy, which rested on individual property.

The main capital asset of the Africans in Kenya was land. Therefore, "for it to be held ultimately on the basis of some other principle was simply inconsistent with the effective incorporation of the African economy into the wider capitalist structure, which was what the policy of channeling future funds to the development of the African areas meant" (Leys 1975:72). This was the conviction of: the colonial officials; of those who prepared the loan applications for agriculture in 1964-5, the commercial banks, the World Bank and other aid donors, and political leaders who aspired to become land owners (Ibid.).

In support of the consolidation and registration program, the Kenya government outlined what is called "manifold benefits" as follows:

> Time and money no longer need to be spent on land litigation, nor is it necessary for farmers to waste time traveling between numerous scattered plots of land. The reform acts as a powerful stimulus to agricultural development... Because agricultural development proceeds more rapidly after land rights have been adjudicated, the reform also tends to encourage a much higher level of employment in the rural areas (Republic of Kenya 1969:210).

Changes in the land tenure system have undoubtedly had a great economic impact on rural Kenya. Most authorities have agreed that it has, as was anticipated, facilitated the increases in production which have characterized small-farm agriculture since 1963. Since it has made land sales possible on one hand, on the other hand, individual land tenure has been one of several factors, which have served to produce rural landlessness in the last three decades. For example: "In Central Province the land owner possessing many fragments was frequently unable to cultivate all of them, and so allowed tenants (*ahoi*) to cultivate the least desirable and more remote of these fragments. At the time of consolidation the *ahoi's* cultivation rights were extinguished, and they found themselves landless and with little hope of immediate employment" (Osolo-Nasubo 1977:193).

A study of four rural areas in the 1970s by John Carlsen (1980) reveals that the post-independence development process had led to increased inequality in income, wealth, and opportunity in the rural areas. Differentiation had produced increased polarization between rich and poor families. In this study, Carlsen found that only a small group of rich households was getting high incomes from agriculture, business and civil service jobs. These households were 'buying up land,' cultivating the most high-yielding and profitable crops, using hired labor, buying high-grade cattle, and purchasing rural shops and starting transport business.

Alongside the rich were the poorest families who could not afford to buy seeds or seedlings for the most profitable crops or to hire labor, and were forced to work for others during the peak agricultural seasons. Their production of food crops tended to be inadequate to meet the family needs, and they were forced to sell livestock or land to survive. Thus, as Carlsen argues, "a process has been initiated in which rich households are accumulating capital based upon investment and increased use of hired labor in agriculture and non-agricultural business, while poor households are turned into a landless proletariat which do not own their own means of production, and have to sell labor power in order to subsist" (Carlsen 1980:192).

Industry and Manufacture

During the first decade and a half of independence, the industry and manufacturing sector was the fastest growing sector of the Kenyan economy. As a result, the post-independent era has witnessed the setting up of manufacturing establishments of different types and sizes that have achieved a high level of self-sufficiency in the production of local consumer goods and introduced some of Kenya's industrial products to the international export market. The contribution of the manufacturing sector to the Gross Domestic Product was 10.1 percent in 1964, and this had risen to 13.3 percent by 1980 (Ogonda 1992).

Kenya being essentially an agricultural country, the agro-industries producing non-durable consumer goods and intermediate inputs for other industries have dominated the manufacturing scene since the colonial period. Among the major contributors in this group are sugar processing, flour milling, tea and coffee processing, confectionary, fruit and vegetable canning, textile and garments, wood and wood products, pulp and paper, livestock products and the processing of vegetable oils.

The metal engineering industry has not been adequately developed due to lack of basic inputs such as iron ore. However, there are a few industries that produce a wide range of goods such as construction steel sheets and vehicle spare parts and components. Although Kenya is not well-endowed with basic mineral resources and petroleum, the country has made optimal use of local minerals such as soda ash, fluorspar, limestone rocks, salt and imported petroleum. The chemical and pharmaceutical industry has largely been based on imported inputs although local resources have included the development of pyrethrum from pyrethrum flowers and molasses from the sugar-refining industry.

Apart from the formal manufacturing industry mentioned above, it is important to note that by the time of independence, a new breed of African semi-skilled technicians had begun to establish an informal manufacturing industry throughout the country. The characteristics of an informal manufacturing industry as indicated by the ILO report of 1972 include ease of entry, reliance on indigenous resources, family/kin ownership, smallness in scale, labor intensiveness and adapted technology, lack of full technical training and unregulated markets (Hazlewood 1979; Macharia 1997). The informal sector technology or *Jua Kali* (hot sun) as it is called in Kenya places emphasis on repair and improvisation and the use of scrap and available tools. The *Jua Kali* produces a wide range of products used as substitutes for those obtainable from the formal sector. Furniture, including beds, chairs, tables, window frames and doors as well as many other products that are used widely in the rural villages are good examples. The informal manufacturing sector activity can be seen as an appropriate use of resources producing goods appropriate to the purchasing power of the poor, but at the same time depending on the formal sector for much of its material and source of its markets (Macharia 1997).

Kenya's policy towards industrialization was reinforced by the publication of Sessional Paper number 10 of 1965 on African Socialism and Its Application to Planning in Kenya (Ochieng' 1992). As mentioned earlier in this chapter, the paper confirmed the faith of the Kenya government in developing a free-market system in which foreign investments were both welcome and actively encouraged. Since independence, the following objectives have guided the formulation of industrial policies and strategies: rapid growth of industrial output, employment creation, foreign exchange earning and conservation, utilization of domestic resources, creation of local industrial skills, government participation in industrialization, and reduction of foreign inputs (Ogonda 1992). In the following analysis, we examine the outcome of these objectives.

Kenya's industrial policies and strategies have not succeeded as much as would be expected after more than thirty years. One of the major characteristics of capitalism everywhere else in the world is wage labor. Wage labor requires that the vast majority of the population sell its labor power, for a wage, in order to survive. In analyzing industrial development in Kenya within the capitalist system, it is essential to focus on the emergence and growth of wage employment within the country. Manufacturing employment and the adverse outcomes of Kenyan industry can be understood in the context of the considerable role of transnational corporations in this sector of the economy. According to Langdon (1987), "such corporations accounted for more than half of Kenyan manufacturing output in the early 1970s and were especially predominant in footwear, leather, rubber, petroleum, industrial chemicals, paint soap, cement, and metal products subsectors" (p. 353).

The employment and linkage limitations of transnational-dominated manufacturing in Kenya are based especially on the product transfer strategy of 'parent' firms. Most Kenyan subsidiaries rely for over 95 percent of their sales on products manufactured locally, which were first developed and manufactured by the parent company to meet developed-country demand. In transferring the manufacturing of these products to Kenyan facilities, the companies involved advertising and extended local demand for precisely those brand-name items. "The resulting developed-country product choice of Kenyan manufacturing subsidiaries has had a profound impact on their employment effects, because most parent firms have wanted to use capital-intensive, labor-saving technology in their subsidiaries; that is how they have produced their specific products at home, and they wish these products to be virtually identical when produced abroad" (Ibid. 354).

The use of capital-intensive technology in almost all of the manufacturing systems of the multinational corporations has failed to generate a sufficient number of new jobs. The complexity of the technology used in most of the manufacturing plants in Kenya has led to a smaller demand for labor in the higher level of specialist manpower category. Thus only a few semi-skilled laborers need to be employed. There is clear evidence that machinery has been replacing people in the Kenyan manufacturing sector. This suggests that industrialization is having only limited effects on social transformation in Kenya because of restricted employment and related impacts.

As Miller and Yeager (1974) argue, Kenyan industrial policy remains committed to first-stage import substitution, that is, creating finished products for domestic consumption by employing technologies and contents produced elsewhere. Kenyan industry, therefore, relies heavily on foreign investment and links with multinational corporations and on imported raw materials. Furthermore, industrial decisions depend more on the perceived interests of global capitalism and its local representatives than on the developmental needs of Kenya.

The underlying force behind the industrial policies "is a pattern of politically endorsed multinational involvement in the Kenyan economy, giving rise to a significant loss of national self-determination in the formulation, adoption, and execution of industrial policy" (Miller and Yeager 1994:42). Although localization or Kenyanization of many top managerial positions has been achieved through the appointment of senior politicians and civil servants as directors of the subsidiaries of multinational corporations, parent firms still retain control over the most critical policy areas. Among these are: decisions on investment planning, capital expenditure, equipment replacement, budgeting, personal management, profit targeting, and production for export versus local consumption" (Ibid.).

The problem is also based on the type of import substitution practiced in Kenya's politically influenced version of state-managed capitalism. The orientation of industrial activity undertaken by the emerging large-scale African capitalists involves capital intensive, import-dependent product transfer, which has characterized subsidiary manufacturing in Kenya. "Under the protection of elite self-interest, multinational corporations undermine local firms, create oligopolies and monopolies that manipulate prices and product lines, dominate choices pitting capital investment and technology selection against job creation, and deepen the economy's addiction to imported inputs while weakening Kenya's competitiveness in African regional markets" (Yeager and Miller 1994:144).

At present, little effort is made to link industrialization and domestic needs satisfaction, and industries still rely on costly imported materials. Most Kenyan industries use foreign exchange at very high domestic resource cost, are uncompetitive on the export markets, and sell their products at highly inflated prices in the protected domestic market. Thus Kenya's industrial development problem results from both political choice and economic constraint.

The analysis of industry and manufacture in Kenya would be incomplete without looking at foreign capital and forms of foreign investment after independence. In the Sessional Paper on African Socialism it was stated that:

> The real solution to the problem (shortage of capital) is to raise per capita income. The dilemma we face is very easy to state but much more difficult to solve. To grow faster we must save more, but to save more we must grow faster. In order to compensate for our shortage of domestic capital, in order to grow rapidly so that our aspirations can be realized, we must borrow from foreign governments and international institutions and stimulate the inflow of private capital from abroad (Cheru 1989:77).

It is evident that there has been an explicit decision by the government to rely heavily on foreign sources of finance (both investment and aid) as an integral feature of its development strategy. Indeed, this was a central feature of the Kenyatta government's economic strategy. Leys (1975) points out that virtually all the expansion which occurred in commerce and industry - "50 percent increase of output between 1964 and 1970, and a 100 percent increase in the annual level of investment - was foreign-owned and controlled" (p. 118).

The expansion of foreign firms after 1963 was marked by the consolidation of existing enterprises and by the entry of new firms from both British and non-British sources. For instance, several British firms invested in post-independent Kenya by taking over existing local firms. An example of this process was Lonrho that acquired approximately fifty subsidiaries in Kenya between 1966 and 1973. The only exceptions to foreign ownership of all the investment were joint ventures or partnership between foreign companies and government owned development corporations. However, these accounted for an average of just over 9 percent of the equity in new foreign investments made between 1964 and 1970 (Leys 1975). Moreover, only a few large profitable enterprises that the government considered politically important were involved in such partnership. By the end of the 1970s, Kenya's new industrial sector was still almost entirely owned by foreigners.

To confront the resulting dominance of international firms in manufacturing, the government responded with a new series of policies: Africanization of management posts, government control through regulation, taxation and exchange control, and measures to ensure African equal participation in foreign firms. With very little degree of success, these policies did not modify at all the development of underdevelopment, which was promoted by the new firms of foreign investment. As for the Africanization of both of jobs and shareholding, it was clear that they worked primarily to identify the government and the higher civil service more closely with the operations, interests and values of foreign capital. The results were monopoly profits, high rates of surplus transfer, low increases in employment, and a falling share of wages in national income. By the end of the 1960s, the nexus between the government and foreign capital was an extremely close one. It was reinforced by the interests of an African petty bourgeoisie, which had been establishing itself inside the system of state protection as an auxiliary of foreign capital.

Indigenous Capitalism in Neocolonial Kenya

A better understanding of neocolonialism requires the recognition of the indigenous capitalist class, which forms the real basis of support for the regime that succeeded the colonial administration. The argument for focusing analysis on the indigenous capitalists rests upon the role that the capitalist class plays in the social division of labor, the process of capitalist accumulation, and in the state apparatus, especially in formulating state policy. Capitalism was introduced in Kenya during the colonial period. After World War II, international productive capital came to dominate the colonial areas more thoroughly, reflecting a high degree of concentration of enterprises on a global scale. More particularly, in the 1960s, foreign investment in Kenya was diversified from traditional areas (plantations and raw materials) to manufacturing.

After independence in 1963, political power was transferred to the nationalist party, KANU, and the Kenyan state came under the hegemony of the indigenous capitalist class. As Swainson (1987) contends, "the dominant factions of the African capitalist class were able to commandeer the state apparatus after 1963 and to use their power to break into areas of accumulation that had previously been monopolized by settlers" (p. 142). The contradiction between the economic nationalism and its dependence on foreign capital led to the efforts to control and Africanize foreign companies. In its Sessional Paper number 10 on African Socialism and its Application to Planning in Kenya, the government committed itself to establishing Africans in a firm position in the monetary sector by ensuring that a large share of the planned new expansion was African owned and managed. The principal measures taken by the state to expand the sphere of indigenous accumulation included loans, licensing, and public investment (Nafziger 1990). These methods have been used to propel indigenous capitalists into agriculture, trading and manufacturing.

The first thrust of state support to indigenous capitalism involved the rapid transfer of land in the former White Highlands to Africans, through the settlement schemes. The prime agricultural land of the Rift Valley fell into the hands of a small number of African capitalists (small African businessmen and politicians), while the remaining area was subdivided amongst small peasant farmers and squatters. The appropriation of land in the colonial period has been the single most important source of surplus value to Africans. However, the rate of capital accumulation in agriculture was generally low. The provision of capital through loan programs did not produce quick success, nor did the provision of free business education and training. The only alternative was to give them special protection.

In practice, the shift from special assistance to protection can be seen in every field where the government tried to foster African capitalism. The effect of this shift was to create a new stratum of African capitalists who would serve and complement foreign capital, not replace it. Fanon's comment in Leys (1975) illustrate the Kenyan case:

> This native bourgeoisie… will realize, with its mouth watering, that it lacks something essential to a bourgeoisie: money. The bourgeoisie of an underdeveloped country is a bourgeoisie in spirit only. It is not its economic strength, nor the dynamism of leaders, nor the breadth of its ideas that ensures its peculiar quality of bourgeoisie… it is the position it holds in the new national administration which will manage to put away enough money to stiffen its domination. But it will always reveal itself as incapable of giving birth to an authentic bourgeois society with all the economic and industrial consequences, which this entails (P. 149).

Since the 1960s, the indigenous capitalist class has used legislative means to gain a foothold in the commercial sector of the economy to the disadvantage of other racial groups. The preferential access to certain areas of the economy, such as land and trade, has been secured through the mechanism of licensing and some tactics used by the settlers during colonialism. The first legislation to this effect was the Trade Licensing Act of 1967, which excluded non-Kenyan citizens from trading in rural and non-central urban areas, and specified a list of goods restricted to citizen traders only (Ochieng 1992; Swainson 1980). These included most basic consumer goods such as maize, rice, and sugar, and was extended in the 1970s to include most commodities like textile, soap and cement. The Kenya National Trading Corporation (KNTC), which had been set up in 1965 to handle domestic import-export trade, granted distribution rights of a wide range of good to citizen wholesalers (Ochieng 1992; Swainson 1980). This was used extensively by the emergent bourgeoisie to penetrate the wholesale and retail sectors, which had formerly been the exclusive preserve of non-citizens.

Another important feature of the transfer of capital and economy into African hands has been the large scale extension of credit through state credit institutions. Such credit institutions include the Agricultural Finance Corporation, the Kenya National Trading Corporation, the National Housing Corporation and the Industrial and Commercial Development Corporation (ICDC). In addition to underwriting the takeover of the commercial sector from non-citizens in the 1970s, the ICDC became the primary investment agency of industry.

> The ICDC has a number of roles: it acts as a funding agency for African traders and industrialists, and it also enters into partnerships with foreign manufacturing firms. Up until 1971, the ICDC loans scheme

> had given about 80 percent of its funds to indigenous traders in order to assist their acquisition of non-citizen business. After that time, most of the ICDC loans dispensed were used for the purchase of businesses and the extension of existing enterprises (Swainson 1987:150).

Since most technologies are under the monopoly of metropolitan countries, it has been necessary for the Kenyan government to enter into partnership with foreign manufacturing firms. By the 1970s, a large proportion of the means of production in Kenya had come under local ownership and control. However, the control over technology still lies clearly in the hands of foreign corporations (Langdon 1978). At this stage of global capitalism, an indigenous capitalist class is unlikely to supplant foreign capital in any developing nation, whatever its level of development. A more likely outcome is a varying degree of integration and interpenetration between the two forces, mediated by politics. Although the former ruling and farming European bourgeoisie departed at independence, their positions were largely inherited by indigenous capitalists who rule in collaboration with international finance. While it may appear that the interests of the indigenous capitalists and those of foreign capital are not harmonious, no fundamental structural changes have been made in the inherited colonial economy.

The Contradictions of Neocolonial Economy

Kenyan attitudes and aspirations had perhaps been moulded more than was realized by the colonial experience of having to accommodate oneself and work within the existing structure of the economy rather than changing it. This is the context within which the government of Kenyatta had to formulate an appropriate development strategy. That this government decided not to transform the colonial economy is evident from its key policy statement on development strategy: *African Socialism and Its Application to Planning in Kenya* (Sessional Paper number 10 of 1965). Although this paper refers to socialism, it actually outlines a capitalist mode of development. It reveals that the ruling elite hoped to rely upon private ownership, the profit motive (in agriculture and industry), substantial inputs of foreign resources, and indigenous entrepreneurship to increase the output rapidly. The assumption is that an increased output will permit more social welfare and enhanced social justice.

In the short run, however, priority was given to production over equality in distribution. Although the Sessional Paper of 1965 specifically affirmed the centrality of the goals of equality and justice, it gave precedence to the maximization of economic growth regardless of potential adverse consequences on social equality. To increase economic growth, the government placed great emphasis on the inflow of foreign resources in the form of private investment, aid and skilled personnel. A final element of the capitalist development strategy was the official encouragement of indigenous capitalism in both the urban and rural areas. The government rejected the efficacy of African traditional communitarianism and opted for individual ownership and enterprise.

To this end the government continued and expanded the colonial government's program of consolidating and providing a title deed for the scattered land holdings of African farmers. Moreover, through credit provision, the government assisted only progressive farmers to ensure that those who succeeded became even more successful. In sum, there are firm evidences for holding that the government of Kenya has pursued a capitalist mode of development. It has emphasized the Africanization of the pre-existing economy rather than its transformation. Domestically, the government has favored private ownership as the mode of production both in agriculture and industry. Internationally, the government has encouraged the integration of the Kenyan economy into the world capitalist system. Multinational corporations have been offered favorable terms.

All developing nations pursuing a capitalist economic strategy are characterized by the polarization of wealth and poverty. Kenya continues to remain a land with a few rich people and millions of poor ones. A small elite dominates much of the society and this has created severe inequality not only in economic and political rewards, but also in education, employment and income. The first to draw attention of Kenyans to the problems of inequality and poverty was a report compiled by the International Labor Organization (ILO) in 1972. According to this report, the Kenyan economy was accompanied by a growing inequality within the country, especially between regions and ethnic groups. It was and still is, estimated that over 90 percent of Kenya's population live in rural areas where they earn their livelihood. A large proportion of the rural population is engaged in subsistence farming, characterized by low and often temporary earnings (Cheru 1987).

The World Bank Report of 1975 also identified unemployment, poverty and income distribution as adverse consequences of Kenya's development trend. It becomes clear that the Africanization of jobs and the transfer of large farms and businesses to indigenous capitalists and peasants after independence only amounted to the replacement of a few Europeans.

Neocolonial Political System

This section analyzes the neocolonial political system through an examination of the Kenyatta (1964-1978) and Moi (1978)-1992) eras. The main issues under consideration during the Kenyatta era include:

1. The consolidation of the first single-party system and ideology;
2. The conflict between the left and the right in KANU and the formation of the alternative KPU;
3. The little general election and banning of the KPU; and
4. The use of state forces and economic conditions.

The major issues of relevance to this study during the Moi era are:

1. The establishment of the Moi regime and ideology;
2. The economic decline;
3. The coup d'etat and its aftermath;
4. The use of state forces;
5. Internal and external pressure for political pluralism; and
6. The re-emergence of multi-party system.

Overview of the Neocolonial Political System

At independence in 1963, Kenya was faced with severe problems. During the 1950s, Kenya's various racial and ethnic groups were divided by both economic differentiation implemented by the colonial government, and by the consequences of the MAU MAU Emergency. After the suppression of the MAU MAU insurrection in the early 1950s, it was clear that whatever political democratization took place would be determined by the British. The colonial government was able to influence the form that the new government would take and in so doing, the British made sure that power would be handed over at independence to an African elite favoring their world view. Following the banning in 1953 of the Kenya African Union (KAU), the first true African political party, African political organizations had been restricted to the district level. This legacy was to have long-term implications for the structure of independent Kenya's politics.

The basic political cleavage in Kenyan politics at independence, which correspond to the basic contradiction of colonialism, was between the groups and social strata which bore the brunt of exploitation (the mass of unskilled workers and peasant farmers) and those who acquired a material interest in the continuation of colonial economy.

This manifested itself through the opposition between Kenya African National Union (KANU) and Kenya African Democratic Union (KADU), which was dissolved and replaced by an irreconcilable opposition between the leaders of both KANU and KADU on the one hand, and a group of 'radicals' within KANU on the other. KANU and KADU were both formed in 1960 when national political parties were legalized for the first time since the declaration of the Emergency in 1952.

The similarities and names of KANU and KADU reflected the underlying commonality of need - "to weld together the independent, district-oriented local power grouping which had emerged over the previous fifteen years into a national coalition which could triumph electorally" (Throup and Hornsby 1998:8). However, they were fundamentally different in political orientation. From the beginning of multi-party politics in Kenya, ethnicity proved to be more powerful than ideology in determining political loyalties.

> KANU was the party of the majority tribes, the densely populated, more rapidly differentiating ethnic groups, particularly the Kikuyu (with approximately one-quarter of the population) and Luo (with a sixth). It campaigned for a strong central government in Nairobi, a prominent state role in the economy, the supremacy of parliament and open competition for resources (in which their communities would perform relatively well). By contrast, KADU was the party of the smaller ethnic groups in the Rift Valley, in the semi-arid North,

> and at the Coast. KADU's policy of *majimboism* (federal government or regional autonomy) was accompanied by liberal economic policies more attractive to Western and settler interests. It favored a division of powers and an American-style federal government, and was strongest amongst those peoples desiring the freedom to be left alone (Throup and Hornsby 1998:9).

The inherited political parties were as loosely organized as the proposed structure of the state itself. Both parties, KANU and KADU had been formed in 1960 out of the then existing district political associations most of which had ethnic origin and character. As Oyugi (1994) contends, "a major characteristic of the pre-1960 district based political associations is that they were tools serving the interests of powerful individuals. When the two parties were formed in 1969, these individuals transformed themselves at once into national power brokers in KANU and KADU. In almost every case, the former district political leader ended up being returned as the new party's branch leader" (p. 155). More importantly, each party identified itself with particular ethnic groups. The ethno-geographic configuration of the parties created a situation in which political leaders tended to be seen by their followers more as being representatives of ethnic and regional interests. As a consequence, intra-party as well as inter-party conflicts tended more often than not to be interpreted in those terms.

The Kenyatta Era and the KPU Alternative (1964-1978)

Upon his release from prison in 1961, Jomo Kenyatta assumed the leadership of KANU and joined the two large influential groups, the Kikuyu and Luo, into the largest political party, mobilizing for nationalist forces. Meanwhile, from 1960 to 1963, the minority ethnic groups rallied around ethnic leaders, challenging the KANU through the rival KADU party. The minority ethnic groups, fearful of the Kikuyu-Luo alliance and KANU's political control for a central government, pressed for a regionally-based constitution (*majimboism*) (Ahluwalia 1996; Oyugi 1994; Ingham 1990). The regional orientation of the constitution, which was supported by the colonial authority, became the basis of Kenya's independence settlement. A quasi-federal system was adopted as a solution to the problems arising out of the diverse nature of Kenyan society.

For KADU, the feeling was that the establishment of a regional system would provide for a sharing of power. Thus, minority ethnic groups would be able to participate in the intricate process of government. Moreover, a federal division of power would leave KANU African majority government less powerful than the colonial government. KANU discredited this system deeming it as inappropriate to the political culture of Kenya, although it had realized the political necessity of working within the prescribed system in order to facilitate independence. In theory, an independent Kenya inherited what in form was essentially a fragmented political structure based on the so-called *Majimbo* constitution. "This constitution which was supposed to come into force at independence contained the entrenched clauses and provisions which stipulated the nature of power sharing between the central government and the regional (majimbo) authorities" (Oyugi 1994:154).

KANU won the national elections in 1963. Consequently, "it was the policy decisions taken by KANU with regard to the economic and administrative feature of Kenya which made it possible to change the constitution in 1964,and by doing so lay the foundations [for the centralization of power]" (Ingham 1990:93). In practice, very little was done by the central governing body to implement the provisions of the *Majimbo* constitution. The center continued to be as powerful as it had been before independence. The regional authorities which became operational at the time of independence were at once subjected to general and specific directives of the center. Indeed, the center's major preoccupation during the first year of independence concerned how to destroy the *Majimbo* with the ultimate aim of returning the country to its former unitary status.

Following independence, the government embarked upon a path of continuously frustrating the regions by delaying the full implementation of the constitution in order to consolidate centralization. One of the most important steps taken in this direction was to deny the regional authorities an effective and independent secretariat (Ahluwalia 1996). This was achieved by retaining a much closer control over the civil service. Circular 55 of December 1963, framed to implement this policy stated that: "all administrative officers above the rank of district assistant were to remain on the central government establishments, on the staff of the ministry of Home Affairs, but would be seconded to the region" (Odinga 1967:243).

This policy ensured that the loyalty of civil servants in the regions was to the center rather than regions. Further, the central government required that all regional drafts of legislation be referred to it before they were introduced in the regional assembly. Perhaps the most frustrating step was the decision to delay the full implementation of financial provisions to the regions as laid down in the constitution. According to Ahluwalia

(1996), "the KANU case against *Majimboism* was that it required massive amounts of money and personnel, and prevented the central government from nation-building and retarded economic development" (p. 35).

Throughout the colonial period, Kenya was fostered as a unitary entity in which the colonial center in Nairobi exercised overwhelming authority on the localities. For more than seventy years, Kenyans had been used to a strong center, and over time, a powerful bureaucracy had been developed to give meaning to its operation. As a colonial bureaucratic state, the country had no meaningful experience with power sharing between the center and the localities in the governance process. The inherited politico-administrative culture of centralism largely contributed to the struggle for power between KANU and KADU shortly after the independence. The presence of KADU in the political scene implied power sharing in the governance process. But more importantly, KADU stood for the *Majimbo*, which KANU was out to destroy - an objective that could not be achieved without first destroying KADU itself.

Once KANU felt it had acquired the necessary support, Kenyatta announced in August 1964 his government's intention to establish a republic and abolish regionalism. In an attempt to fulfill Kenyatta's quest for a one party state, the government deployed three major tactics to woo opposition members. "First, it offered cabinet positions; second, it threatened detention and/or imprisonment, and finally refused to develop opposition areas" (Ahluwalia 1996:35). Facing a state determined to consolidate whatever authority it had, and without any intention of implementing the regional constitution imposed upon it, KADU eventually collapsed.

Assessments of the challenges to nationhood viewed national identity and stability as crucial. On the first anniversary of independence, December 1964, the opposition (KADU) formally dissolved itself, and its members joined KANU, creating a *de facto* single-party system. Since Kenya had become a one-party state, it became easier to pass the first constitutional amendment, which unanimously declared Kenya as a sovereign Republic in December 12, 1964. Kenyatta became the Executive President, which entailed being both the head of state and the head of government. In terms of regionalism, a number of constitutional changes reduced the regional structures to no more than local governments. The regions were no longer referred to as such, and once again (as in the colonial period) became provinces.

Every country that has moved from colonialism to independence has sought to transform its inherited colonial institutions to serve the culture, needs, and aspirations of the newly independent society. In Kenya, the desire for this transformation was often identified with the call for nation building.

> Nation building required that men of vision and men of public affairs be at the helm to define immediate and finite ends and to devise the means to those ends. At the same time, it was also clear to Kenyan leaders that nation building was critically dependent upon the development of sympathetic political and economic institutions, for, in the immediate preceding years, the people of Kenya had hoped that the attainment of independence would make for them a transition from the realm of necessity to that of building a democratic socialist state strongly committed to pan-African ideals and world peace (Ochieng' 1995:93).

It was thus not surprising that on the day of independence, Kenyatta announced that his government would build a democratic African socialist state based on the notion that the benefits of economic and social development would be distributed equitably. Further, the differential treatment based on ethnicity, race, belief or class, would be abandoned and everyone would be given an equal opportunity for the improvement of life. Tom Mboya (by then the minister for Economic Planning and Development) wrote:

> Our system of African socialism will guarantee every citizen full and equal political rights. Wealth must not be permitted to confer special political concession on anyone. The disproportionate political influence that has frequently been granted, openly or otherwise, to economic power groups in capitalist societies must not be permitted to gain a foothold in Kenya. Similarly, the fundamental force of religion, which has been denied in communist countries, will be a definite feature of our society in which traditional religion provided a strict moral code. But political rights will not be contingent on religious beliefs (Ochieng' 1995:92).

Economically, the great task facing the KANU government was stimulating development efforts to meet the needs of the people. There was the ever-explosive issue of land shortage and the scarcity of capital, resources and skilled manpower. There was also the need to expand the economy through industrialization, improved methods of farming, and intensive training for local manpower. What is more, the economy was heavily controlled by expatriates who owned large companies, banks, hotels, shops and business; and were still a major source of capital and skilled manpower. The government was thus faced with the need to correct this imbalance in favor of the Africans, without causing undue hardship to the expatriates. "Everything will come when we have political power, is how Kenyatta had expressed his practical approach… (Ochieng' 1995:93).

However, there was to be no revolution after he took over power.

During the early years of independence, Kenyatta's permanent agenda for Kenya became clear. The country would be guided on a capitalist course under the expert direction of a trusted civil service. It became very clear that Kenyatta was an African capitalist who would guide Kenya into that direction and rely on a trusted civil service to be backbone of his regime. In fact, the rapidly expanding bureaucracy remained loyal to the President because of the social status and material rewards conveyed by membership.

Kenyatta and his associates preserved what they most needed from the colonial structure, particularly its law and order aspect. Institutions like the provincial administration, police and army were taken over and maintained intact (Malhotra 1990; Ochieng' 1995). In the same way, the judiciary, civil service and parliament continued to function according to British rules. African socialism soon became an empty vessel floating on a sea of pragmatism and ambition. According to Miller and Yeager (1994), the system was tied to society by an intricate network of patron-client relations operating through a combination of favoritism and repression to bolster formal governing.

Despite Kenyatta's conservative, pro-Western, pro-business policy, his party contained a substantial number of radicals who wished to nationalize foreign owned corporations and also for Kenya to have a non-aligned foreign policy. This group of radicals was led by Vice President Oginga Odinga and former MAU MAU activist Bildad Kaggia, while Kenyatta and Tom Mboya (KANU secretary general) were the key figures in the conservative camp. The radicals accused the KANU government of betraying the pledges, which it had made to the masses before independence. Land policy, in particular, became a major point of contention. The radicals also called for free education and free medical services for the people. Taken together, these issues represented the central question of whether the independence settlement had and would provide security and equality of opportunity among the masses. In resisting calls by the radicals, Kenyatta was strongly supported by his colleagues in the conservative camp. Mboya said:

> There is no point in change for its own sake. Only if some special institution has utility within our special circumstances is it justified. Look at the political institutions. In most cases we have started off with those bequeathed to us by the former colonial powers. This is the system we have been used to working within. We may introduce certain superficial innovations

> but the principles and so much of the machinery remain the same. It is difficult to break away entirely, to steer a new course, to create institutions which are African, yet which are appropriate for modern society (Mboya 1970:5).

The disagreement between the radicals and the conservatives within Kenyatta's government went beyond land, medical and educational issues. The radicals also called for the rapid Africanization of the civil service, the economy, as well as the publication of the strategies for economic and social development. In addition, the radicals and conservatives differed on their attitudes toward the state, the working class movement, and about foreign policy. To placate the radicals, Kenyatta instructed Mboya to formulate the famous Sessional Paper number 10 of 1965 (discussed in the economic section). This Paper had no intention of altering the inherited colonial economic and social structures, particularly their law and order character. Instead, it committed the government against a revolutionary break with the past in its attempt to transform society. The general policy was to build upon and modify the inherited economic and social systems.

The publication of the Sessional Paper number 10 of 1965 sparked off fresh controversies that eventually led to the break away of the radicals from KANU. Odinga resigned from the cabinet to launch a new political party in 1966. The new party, Kenya People's Union (KPU), was backed by about one fifth of the parliamentary party; it was supported by urban workers, trade unions and students, as it advocated socialist policies. Kenya had once again become a multi-party state, with inter-party power struggle taking a new shape. In his resignation statement, Odinga claimed that Kenya was being run by an "invisible" government, which represented first:

> international forces purely concerned with ideological colonization of the country and has no genuine concern for the development of the people. Secondly, it also represents the commercial interests, largely foreign, whose primary concern is big profits for the shareholders. Here, too, the interest of the people of Kenya is only secondary to the profits and understandably not their concern (Ochieng' 1995:98).

According to Throup and Hornsby (1998), "the KPU's goal was to create a more left-wing party, to oppose the growing conservatism and Western orientation of the KANU leadership, and to try to replace the persistently ethnic basis of politics with a cleavage based on ideological, class or socio-economic grounds" (Throup and Hornsby 1998:13). The KPU's constitution defined its objectives as the fight for the economic independence of the people of Kenya. Its manifesto asserted that:

> The KPU will pursue truly socialist policies to benefit the *wananchi* (citizens). It will share out the nation's wealth equitably among the people and extend national control over the means of production and break the foreigner's grip on the economy… The KPU is committed to enlargement of the public sector of the economy, believing that, in so doing, the KPU government will be in a position to bring about more rapid economic development and a more equitable distribution of the fruits of the people's labor. This means that the KPU government will have to acquire control of the means by which this can best be brought about. Thus, those industries, like the public utilities whose existence are vital for national economic independence should be nationalized (Ochieng' 1995:99).

The KPU claimed that under the KANU government, the peasant had remained as it always was during colonialism. At the same time the workers could no longer believe that the government was working on their behalf. According to the KPU, KANU's African socialism was simply a cloak for the practice of tribalism and capitalism. As Odinga argued in the KPU manifesto:

> These politicians want to build a capitalist system in the image of Western capitalism but are too embarrassed or dishonest to call it that. Their interpretation of independence and African socialism is that they should move into jobs and privileges previously held by the settlers. If Kenya started *Uhuru* without an African elite class she is now rapidly acquiring one. Ministers and top civil servants compete with one another to buy more farms, acquire more dictatorship and

own bigger cars and grander houses (Ochieng' 1995:100).

In his opponents, Kenyatta saw paid agents of communism whose primary mission was to dethrone him. Within a few days of the KPU's formation, the government decided that something had to be done to stop it from recruiting more supporters from parliament. The solution was found in a constitutional amendment, which required that those who had defected seek new mandates from the electorate. As a result of the little general election that followed in 1966, only 9 out of 29 members who had defected to KPU were returned to parliament (Oyugi 1994). This act of the state thus saved the KANU from possible loss of parliamentary majority. This legislation was to prove of vital importance 26 years later, enabling President Moi like Kenyatta to restrict the flow of defectors to the opposition. The reaction of the state after the little general election was to contain the KPU party within a few localities such as Nairobi and Nyanza.

During the brief period of multi-party politics from 1966 to 1969, "KANU exercised strict control over the political process, refusing to accept the legitimacy of the opposition. KPU officials were severely restricted in their ability to hold meetings, their branch registrations were delayed by the registrar of societies, and their officials were detained and harassed" (Throup and Hornsby 1998:14). As the dispenser of patronage, the state also withdrew the appointment of KPU politicians from state corporations to which they had been appointed before. Other economic benefits such as loans from state financial institutions and preferential trade licenses were at once also threatened. Immediately after the assassination of KANU Secretary General Tom Mboya in 1969, the KPU was banned and its leaders detained.

The evidence presented so far indicates that the inter-party power struggle in Kenya since independence has been a struggle between the state and the opposition party with the ruling party (KANU) acting merely as an agent of the state. During the lifetime of both KADU and KPU, the ruling party relied heavily on the state apparatus to fight its battles. The state became a willing partner because the interests of the government of the day and those of KANU were intricately linked to each other. These events also demonstrate a fundamental feature of Kenyan political culture - the refusal of government to accept challenges to its right to rule.

With the murder of Mboya, the banning of KPU and the detention of its leaders, Kenyatta and his Kiambu clique paved a smooth road for his personal rule. Increasingly relying on provincial administration, the police and the Kikuyu dominated army and Kenyan politics after 1969, became a one-man show. Two institutions of the state that merit further examination are the civil service and Kenyatta's inner court. One institutional feature of Kenya's political life, which can be directly traced to colonial developments, was the emergence of a strong civil service. At the time of independence in 1963, Kenya possessed a relatively well-developed civil service. This civil service "had been constructed to provide services for a white-settler population and because during the MAU MAU period both provincial administration and security forces in particular had been strengthened to deal with law and order problems" (Bienen 1974:30).

At independence, Kenya had a provincial administration staffed not only by young graduates alone, but also by experienced junior people who had served in the colonial provincial administration. The provincial commissioners served as agents of executive control for the Governor as they were to become subsequently for the President of Kenya. Even during the short interlude 1963-1964 when Kenya operated under the *Majimbo* constitution, the civil service remained a centralized administrative system through the provincial commissioners (Gertzel 1966). There was never a full implementation of the *Majimbo* constitution because functions as well as development initiatives remained vested in the provincial administration. Kenyatta ruled Kenya through his provincial administration.

Between 1964 and 1966, Kenya's constitution was altered to produce a more centralized system. The provincial administration in particular worked directly to the office of the President and became his primary agent for exerting political control throughout the country. Kenyatta's pragmatism and leadership abilities were best revealed in his handling of the government administration. From the moment of independence, he acted decisively to create, in the civil service, a powerful bureaucracy that was at once highly specialized and politically loyal. "As titular head of the Public Service Commission, Kenyatta exercised pervasive influence over central appointments, pay scales, disciplinary actions, and dismissals" (Miller and Yeager 1994:41). There is no doubt that the civil service, and the provincial administration in particular, has been, and remains, a strong institution and the main instrument of social control in Kenya.

The cabinet had little significance in the neocolonial state. The ministries in Nairobi had the job of formulating detailed policy; but it was clear that all politically sensitive issues were to be settled by the President and his inner court. As Macharia (1997) argues, "the African state is characterized by an unwritten bureaucracy where many major decisions take place outside parliament, the cabinet and even the official state house" (p. 106). Kenyatta's court was based primarily at his country home at Gatundu (about 25 miles from Nairobi) in Kiambu district. During the Kenyatta era,

> The inner court consisted of a small group of Kikuyu politicians from his home district of Kiambu: Mbiyu Koinange, his brother-in-law, minister of state in the office of the president; Njoroge Mungai, his cousin, minister of foreign affairs; and Charles Njonjo, the Attoney General. It was quite rare for Kenyatta to travel or appear without one or other of these three men (Leys 1975:246).

Delegations of all kinds (district, regional, tribal, etc.) came to the court to give displays of dancing and singing, and to present checks for various activities sponsored by the President. The court system had several functions. Gifts and dances from various delegations indicated loyalty, and with their marked element of competition for attention, these reinforced and integrated the ethnic dimension of politics, characteristic of neocolonialism. The court attendance was very significant because it was Kenyatta alone, with the inner court, who could make any important political decision.

Political stability under Kenyatta was based on his skillful balancing of rewards and punishments. He established a political force around him that either absorbed or eliminated disruptive elements. Showdowns with parliament, journalists, students, and organized opposition groups were consistently won by the regime. This was partly because of its centralized structure and monopolistic control over the country's assets, and partly because of the implicit support it received from Kenya's elite class.

Rather than an abstract sense of nationhood and a dedication to political harmony through social compromise, independent Kenya was founded on an effective patronage system welding disparate ethnic, regional and nascent class components into a coherent whole. Inequality and corruption were part of the system. Moreover, indigenous capitalism victimized many as the penetration of international capital created wealth and power for the governing elite. Significant portions of the Kenyan population remained on the fringes of society. They felt deprived of a place of dignity in the national life by barriers of class, ethnicity, gender or even geography.

Moi Era and the Re-Emergence of Multi-Party Politics in Kenya (1978-1992)

Although the structure of the government remained in place when Daniel arap Moi became Kenya's second president in 1978, a new political era had begun. Moi's ideological program of *Nyayo* (footsteps) was based along the lines of major policies and programs established under Kenyatta. The implication was that Moi would follow in the footsteps of Kenyatta. In short, he told Kenyans not to expect a revolutionary change, because he was determined to continue with Kenyatta's policies. Social, economic and political reforms would be carried out without any discontinuity. As Moi himself posits: "*Nyayoism* is a pragmatic philosophy which crystallizes and articulates what has always been African, indigenous and formative in our societies" (Moi 1987:6).

Nyayo thus became a national motto, symbolizing continuity, love, peace and stability. Continuity, for example, is illustrated by the fact that Moi retained Kenyatta's cabinet for a year without change. As Moi consolidated his power, *Nyayoism* expanded to acquire ideological functions that subsumed various ideologies such as constitutional democracy, African socialism, nationalism, patriotism, developmentalism, anti-tribalism, etc (Ogot 1995). This eventually came to mean that any person acting contrary to *Nyayoism* was also acting against the *Nyayo* government. In other words, being anti-*Nyayo* meant being anti-government and anti-party. This marked a further entrenchment of the political monolithism that had been introduced under Kenyatta.

The first five years of the Moi presidency encompassed a period of relative good will (1978-1979), a time of economic decline and political unrest (1980-1981), and an upheaval surrounding the attempted coup d'etat of August 1982. After Moi assumed the presidency, nearly every political faction in Kenya joined the new order. During this unifying phase of his regime, he vowed to end political factionalism and corruption. In order to gain public support, he released political detainees who had been held by Kenyatta, abolished school fees in primary schools, initiated a national literacy campaign, and went to the hustings on the corruption issue. On the international front, like Kenyatta, Moi assumed an openly pro-Western stance. In domestic affairs, a new five year development plan was launched. This plan called for an economic growth rate of over 6 percent, and a campaign against poverty (Miller and Yeager 1994). Its objectives reflected Moi's enthusiasm for free enterprise, even though the economic realities of the time were not encouraging.

The honeymoon period came to an abrupt end when the country's economic problems compounded and, for the first time, Kenyans greatly suffered shortages of basic commodities. The entrepreneurial ethic that drove Kenya's ongoing quest for prosperity became a double-edged sword. Sustaining the regime were wealthy and rising elites that wanted to preserve the economic and political status quo. Support also came from the West through large infusions of foreign aid. Partly from resources filtering down from this assistance, Kenya's patron-client system continued to function.

As the 1978-1979 global economic recession deepened, illicit economic activity became common place and official corruption proliferated. In addition, urban unemployment began to pose serious problems for the country. In 1982, the economic picture remained bleak. Kenya's foreign debt stood at $1,000 million while inflation continued to increase at a dramatic rate (Ahluwalia 1996). Coupled with this, charges of inept management and corruption were now made against the Moi administration. It is evident that political instability paralleled the economic slide. The policies of the Moi regime failed to respond to voices within the country demanding an equitable distribution of economic growth.

In a major attempt to deal with both the stagnating economy and political instability, Moi reshuffled his cabinet in February 1982 and elevated loyalists like Nicholas Biwott (who became Moi's chief advisor) to cabinet posts. To reinforce his regime, Moi expanded the army from 12,400 to 14,750 troops, and increased military salaries (Miller and Yeager 1994). At this point, the President had become sterner, more paternalistic, and less flexible. He condemned social disobedience and repeatedly called for loyalty to the government. It was in the year 1982 that tensions within the Kenyan elite over the control of the state reached their peak. This was manifested in the amendment of constitution to confirm KANU as the sole legal political party. With the amendment of the national constitution Kenya became a *de jure* single-party state.

Following this critical institutional reform, the Moi regime embarked upon a crackdown against opposition and radicalism within the country, and detention without trial was reintroduced. Fear of plots against the regime led to increasing harassment of writers, lecturers, and students, and to fundamental uncertainty about the government's short-term stability. Meanwhile, Kenya's economic picture continued to decline. This inevitably contributed to the continuing decline of Moi popularity and culminated in a plot to overthrow him. In August 1982 there was an attempt to overthrow the government by Kenya Air Force personnel. Their message was: "Rampant corruption and nepotism have made life almost intolerable in our society. The economy is in shambles, and the people cannot afford food, housing, or transport" (Miller and Yeager 1994:101). This coup attempt can be directly linked to the uprising social issues, including Kenya's general economic distress, falling producer prices for tea and coffee, high energy costs, rising unemployment and urban food shortages. Although Moi strengthened and tightened his control over major institutions in the country following the failed coup attempt, opposition to his regime continued to grow.

Kenya's passage into the 1990s was eventful in terms of resolving political problems of the 1980s. Government repression and sporadic violence continued, and churches and voluntary associations increased their political opposition. Incumbents who had been demoted or dismissed from cabinet positions were occasionally reappointed. In the midst of these events, Robert Ouko, the Foreign Affairs minister fell victim to a political assassination. This triggered charges of a political cover-up, months of anti-government protest, and increasingly widespread demands for an end to single-party rule. Ouko's assassination came at a bad time for Moi's presidency. During 1990, the regime had come under intense international pressure to liberalize its economic policies, reinstate a *de jure* multi-party system, and halt its abuse of civil liberties and rights (Throup and Hornsby 1998).

At the end of the 1980s, the world had witnessed some momentous and incredible events that almost created a new global reality. The most notable of these events was the end of the Cold War with the collapse and disintegration of the former Soviet Union, and with it the demise of Communism (Throup and Hornsby 1998; Thobhani 2000; Haugerud 1995). This was accompanied by the emergence of pro-democracy movements resulting in the replacement of communist parties from power in many parts of the former Soviet Union and Eastern European countries. Thus the decade of the 1980s ended with the long-entrenched authoritarian regimes in many parts of the world facing severe attacks from the masses of their peoples.

International observers saw 1990 as the start of changes of equal magnitude in Africa. "Events in Africa that fed such optimism included Nelson Mandela's release from prison, Namibia's independence and multi-party elections, new negotiations to end Apartheid in South Africa and popular protests and moves toward political democracy in many African nations" (Haugerud 1995:19). Unlike the struggle for independence, the call for a 'second liberation' in the early 1990s ostensibly criticized the oppressiveness and inadequacies of domestic rather than foreign forces.

Accompanying the striking changes in Africa's early 1990 political landscape were shifts in the rhetoric of development institutions such as the World Bank, IMF and bilateral aid agencies (Throup and Hornsby 1998; Thobhani 2000; Haugerud 1995). With the increase in assistance to Eastern Europe and cuts in aid to Africa in the post-Cold War era, came a new rhetorical emphasis on human rights improvements and political liberalization as conditions of aid to Africa. Western banks assumed that political liberalization would improve economic management, debt repayment, and political legitimacy. Aid donors in the early 1990s treated politics as a technical and management issue addressed under the antiseptic label "governance," by which the banks meant "the exercise of political power to manage a nation's affairs" (World Bank 1989:60).

The World Bank attributed Africa's development problems to a crisis of governance and called for external aid agencies to insist that "leaders must become more accountable to their peoples. Transactions must become more transparent, and funds must be seen to be properly administered, with audit reports made public and procurement procedures overhauled" (World Bank 1989:60). The language of accountability, transparency, and good governance merged easily with what Kenya lawyers employed during the 1980s and 1990s as they worked for human rights reforms. Their effort contributed to a "culture of political justice" that re-emerged during the 1980s with efforts to decriminalize politics, and free civil society institutions from "cooptation" by the ruling party (Githu 1992)

By early 1990, the stage was set for action that would successfully transform the political culture of Kenya in some significant ways for the first time since independence. Those who actively opposed the Moi regime and the status quo came from many sectors of Kenyan society. They included church leaders, university students and intellectuals, lawyers, workers, women's movements, and the common masses of people. Political conditions that contributed to the unrest included the growing concentration of power in the executive branch, and shrinking possibilities for political association and expression of opposition views. These changes entailed a narrowing of the range of public ideological debate and increasing marginalization of leftist views.

Many observers argue that Africa's protests at this time were directed against declining living standards associated with the Structural Adjustment Programs mandated by the World Bank and IMF (Nelson 1990; Sandbrook 1990; Lancaster 1992). In Kenya, economic decline certainly played an important role in the political upheavals of the 1990s. The conflicts of patronage politics had intensified as state spending capacity in education, health, and other services had fallen; yet, there was high demand for such services from a rapidly growing population. Kenya also suffered from mounting inflation and foreign debt, declining world market prices for principal export commodities like coffee and tea, and decreases in foreign investment and tourism revenues.

By 1992, real economic growth had fallen to near zero, its lowest level since independence in 1963. According to the Kenya government's 1993 *Economic Survey*, growth of real GDP was 2.3 percent in 1991, while it was 4.3 percent in 1990. In 1992 the agricultural sector declined by 4.2 percent, and manufacturing grew by 1.2 percent. The rate of inflation increased from 19.6 percent in 1991 to 27.5

percent in 1992, its highest rate since independence (Republic of Kenya 1993). The Kenya Shilling fell in value against major currencies, and foreign donors' suspension of fast-disbursing aid contributed to a foreign exchange crisis. The motivating forces for democratic reforms, then, were growing concerns about state unreliability and economic decline.

The combined pressure of domestic opposition and denial of international financial assistance rose to a crescendo toward the end of 1991 when key donors met in Paris and announced that Kenya's foreign aid would be suspended for six months pending the initiation of political and economic reforms (Throup and Hornsby 1998; Miller and Yeager 1994; Thobhani 2000). At this point, Moi was convinced to authorize the introduction of a multi-party political system. The parliament soon approved the constitutional changes to that effect, and in 1992 Kenya officially embarked on the democratic path of multi-party system. Once parliament eliminated KANU's political monopoly, new political parties began to register for an election that took place in December 1992.

In addition to Forum for the Restoration of Democracy (FORD)[3], these unstable coalitions of competing opposition leaders included the Democratic Party (DP), the Kenya National Democratic Alliance (KENDA), the Social Democratic Party (SDP), the party of Independent Candidates of Kenya(PICK) and the Kenya National Congress (KNC). The divisions that had occurred in the ranks of the opposition clearly dampened some of the enthusiasm associated with the first multi-party elections in twenty six years. According to Throup and Hornsby (1998), KANU's victory in the 1992 elections was as a result of three factors. "First, the opposition failed to present a united front; second, the election was fought regionally, and KANU had the edge in a sufficient number of regions, especially the less-populated but overrepresented ones; and third, the state's bias and electoral malpractice were sufficient to swing the balance in crucial contested areas" (p. 453).

While having meant a more democratic Kenya, the multi-party elections did not result in the amelioration of political climate or economic conditions. For Kenyans and for all the political parties, the post election era was a period of retrenchment and consolidation. KANU continued to strengthen its grip as the opposition remained fragmented.

[3] This party was later divided into two: FORD Kenya and FORD Asili shortly before the elections.

The major economic problems facing Kenya at this time included massive population growth with only slowly expanding resources, growing unemployment, regular crop failures and foreign exchange shortages. These were not alleviated by the multi-party elections of 1992. The provincial administration and the central civil service remains as highly politicized as under the single-party system. Corruption remains as widespread as before, while the have-nots increasingly turn to crime in order to survive.

As before, KANU continues to follow a capitalist road of development, combined with heavy state control. Despite its radical stance on some issues, the opposition did not differ fundamentally in objectives from KANU. All the parties publicly proclaimed the virtues of private enterprise and structural adjustment. There is no evidence to suggest that there have been changes during the advent of multi-party politics. The opposition seems to be struggling to replace the government, participate in the government, and actually continue with the policies and politics of the repressive state. Their programs are geared towards reforming rather than transforming the state. Since many of the opposition leaders have been marginalized from existing power structures, there seems to be hunger for power, authority, and the use of state power to promote private accumulation.

Looking beyond these events, the Moi era is similar to Kenya's 'dynastic' period under the paternalistic rule of Kenyatta. Moi's regime is more concerned with perpetuating itself than with accommodating public needs and demands. Economic policies continue to focus on growth and diversification at the expense of a broad-based social equality programs that would eventually benefit everyone. Regardless of its deep internal divisions, Kenyan society remains determined to preserve the status quo established by colonialism, fashioned by Kenyatta and taken up again by Moi. Loyalty is rewarded, while disloyalty is punished. Politics mean the pursuit of profit, the creation and maintenance of personal followings, and garnering of favors from those above in order to enhance one's position. Economic and political stability has become a perennial issue in Kenya. It was of fundamental concern in the transition from Kenyatta to Moi, became a central issue during the Moi era and the multi-party elections, and remains a major problem in modern Kenya.

The second part of this chapter deals with the question of how the economic and political systems discussed above have affected the development of Kenya in terms of education, employment and income.

The Impact of Economic and Political Systems on Selected Development Indicators

The following section begins the analysis, interpretation and discussion of question two: What are the impacts of the economic and political systems on the development of Kenya in terms of education, employment and income? In answering this question, the impacts of the economic and political systems on development as measured by education, employment and income are examined. Section one focuses on the impact of economic and political systems on education (1960s-1990s). The second section centers around the impact of economic and political systems on employment and income (1970s-1990s)

The Impact of Economic and Political Systems on Education

The analysis here includes the examination of:

1. The number of schools by province and category;
2. The educational expansion after independence;
3. The government expenditure on education;
4. The enrollment of students in both primary and secondary schools by province;
5. The distribution of qualified teachers by province; and

6. The distribution of secondary schools by province.

One cannot discuss education as an indicator of development in Kenya without explicitly linking the structure of the educational system to the economic, political, and social character of the society in which it is contained. Educational systems more often than not reflect the essential nature of that society. For example, if the society is very unequal in economic and social structure, the educational system will probably reflect that bias in terms of who is able to proceed through the system. By reflecting "the socio-economic structure of the societies in which they function (whether egalitarian or not), educational systems tend to perpetuate, reinforce, and reproduce that economic and social structure" (Todaro 1981:271). On the other hand, educational reform, whether introduced from within or outside the system, has great potential for inducing corresponding social and economic reform in the nation as a whole.

At independence in 1963, Kenya inherited a very disintegrated political economy, already organized for the benefit of European settlers. The entire set-up of the political, economic and social interaction was intended to reflect and to justify supposed racial differences and hence differential access to economic opportunities. The corresponding educational system also mirrored that same ideology which justified separate educational institutions for the three racial groups (European, Asian and African). The provision of primary and secondary education at independence reflected a racial pattern, which was characteristic of the colonial mode of development. The secondary schools, for example, were concentrated in the areas near European settlement and urban centers to cater for their community. The colonial government policy and practice, influenced by their ideology of superiority over the Africans, continued to favor the European and Asian education throughout the period. This was exhibited in the distribution of educational resources and opportunities, which remained uneven among the three racial groups.

After independence, Kenya's approach to development, as stipulated in the Sessional Paper number 10 of 1965, made no attempt to restructure the political and economic institutions established in the country during the colonial period. "Chief among these institutions is the educational system, with many of its colonial legacies, such as the different school systems catering to the different social classes and the emphasis on academic criteria for advancement within the system" (Cheru 1987:51). Indeed, to a large extent, the educational system has remained the pillar of neocolonialism. Most of the educated elite in decision-making positions at the time of independence were the products of the British educational system. Thus their recommendation mandated a reform of a familiar system rather than the creation of an entirely new system.

After the achievement of independence, Kenya placed considerable importance on the role of education in promoting economic and social development. The Ominde Commission[4] recommended that a uniform, centralized system of education would foster a sense of national unity among different ethnic groups that comprised the new nation. It was noted that under colonialism, "there was the assumption that different racial groups would remain separate, if not for all time, at least for a long time to come. The colonial education system therefore was designed in such a way as to maintain this difference" (Sifuna 1990:162).

Based on the above view, education had the task of uniting the different racial and ethnic groups making up the nation. The central government, through the ministry of education, became responsible for curriculum, examinations, and setting of standards. In the meantime the eight-year

[4] This commission was appointed immediately after independence by the Minister of Education to survey the existing educational resources of Kenya and to advise the government in the formulation and implementation of national policies for education.

primary cycle established by the Beecher Commission of 1949[5] was shortened to seven years. The government has now reintroduced the 8-4-4 system (Eight years of primary school, four years of secondary school and four years of college/university), which became effective in 1985. Secondary education (high school) extended for six years, (now it is four years), and was divided into a lower course of four years and a higher course of two years duration.

The secondary schools are classified as: 'maintained,' 'assisted' and 'unaided' schools (Eshiwani 1993). Maintained schools are government boarding as well as day schools for both boys and girls, which are fully maintained. All the teaching and supportive needs are fully paid by the government. They have the best performance recorded in public examinations and are well provided with physical facilities as well as being reasonably equipped. Generally, this category includes those old missionary schools that have been turned into national schools.

The assisted category consists of schools initially started through *Harambee* (from Kiswahili, meaning: let us pull together) by the local communities in various parts of the country. As part of the national movement of *Harambee*,

---

[5] This commission restructured the education system by introducing 4-4-4 system of primary, intermediate and secondary school organization during the colonial period.

Kenyatta encouraged local communities to organize their own schools. The government provides assistance in the form of teachers. The provision of physical structures and equipment is rather poor in comparison to the maintained schools. Consequently, their results in public examination are not commendable. This category became the dominant source of secondary education in Kenya by the mid 1980s (Kreinberg 2000).

The unaided schools, on the other hand, operate outside the established jurisdictions of the government. They do not receive any assistance from the government apart from the certification of their existence. These schools include private schools, which are owned by entrepreneurs (whose main objective is to make profit out of the school fees paid by students) and self-help schools built with the local community contributions. The provision of equipment is very poor, and physical structures are inadequate and of poor standard. As expected, the examination performance of these schools is very poor in comparison with the other two categories.

Table 1 shows the number of schools by province and category. The distribution of secondary schools in the provinces provides an interesting insight into the issue of equity in education at this level in Kenya. According to

Table 1. Number of Secondary Schools by Province and Category, 1986

Province	Maintained	Assisted	Unaided Harambee	Unaided Private	Total
Central	162	240	101	28	531
Eastern	106	155	91	46	398
Coast	58	24	21	26	129
North Eastern	10	1	-	-	11
Nyanza	106	183	113	48	450
Rift Valley	131	205	74	53	463
Western	88	129	94	13	324
Nairobi	37	4	-	48	89
National Total	698	941	494	262	2,395

Source: (Eshiwani 1993:54)

the table, Central province has the highest number of secondary schools (531), and North Eastern has the lowest (11). This pattern is consistent for maintained and assisted schools. When it comes to unaided *Harambee* and unaided private secondary schools, Eastern, Nyanza and Rift Valley provinces have proportionately higher percentages. This implies that the quality of education in these provinces is lowered by the presence of these schools.

Accompanying the high competition for access to educational opportunity in Kenya is an emphasis on academic criteria for advancement within the system. There has been little attempt to break away from the inherited colonial pattern of academic credentials. Moreover, a tightening of these requirements has occurred as employment opportunities have become scarce. The minimum educational requirements have been raised, and research and reform efforts have been directed toward improving the efficiency of the examination, thus perpetuating the neocolonial situation.

At the end of the primary school cycle, nearly all students sit for the national examination. Only those who pass the examination go to secondary schools. Passing the secondary school examination qualifies students for the university. This procedure has created a hierarchical structure in the Kenyan educational system. The number of students is reduced as you go higher - partly because of the examination and partly because of scarcity of secondary schools. For example,

> Of the 227,000 students who sat for the Certificate of Primary Education (CPE) examination in 1974, only 58,885 (25 percent) were admitted to secondary schools. Of these, 32,885 (56 percent) were admitted into the unaided secondary schools. The remaining 168,362 (75 percent) left school without any prospect for

> further schooling or employment (Cheru 1987:53).

Kenya's response to the inherited educational disparities was influenced by the socio-economic and political forces. A principle that emerged identified a direct relationship between education and economic growth. As Sifuna (1990) argues, "It was noted that if education could produce the high and middle level manpower so desperately needed by a developing country, then the pace of economic development in Kenya could be accelerated" (p. 163). The Ominde Commission endorsed the policy of the provision of free primary education. This could contribute to economic progress by providing a reservoir of candidates for secondary and higher education. At the same time, it fulfilled the minimum basic education requirement for participation in the modern sector of the economy.

Politically, the independent government had pledged to Africanize the civil service and the economy after independence. In the past, only Europeans and Asians could occupy positions of power and wealth in the modern sector of national life. This virtual monopoly was made possible because of the type of education Europeans and Asians received during the colonial era, which denied Africans access to such education. These benefits were to be made available to Africans because if Africans were to exercise real power in their society, they had to acquire an education similar to that of the Europeans.

The main thrust of government post-independence educational developments, however, was geared towards manpower development. Rapid expansion of access to education was justified for achieving a rapid rate of economic progress. An impression of the educational expansion, which followed independence, can be gained from Table 2, which shows the level of primary and secondary school enrollments for the period 1960 to 1994. The table shows that primary school enrollment jumped from 781,295 in 1961 to 5.5 million in 1994. Secondary school enrollment reached 619,839 in 1994 from 19,445 in 1961.

As a result of the rapid expansion of enrollments following independence, government expenditures on education likewise increased rapidly and education's share of the governmental recurrent budget also increased, as shown in Table 3. By 1984/85, the Ministry of Education was consuming close to 30 percent of the budget. This pattern of expenditure does not only attests to a high social demand for education, but is also indicative of the faith the masses and policy makers ascribe to the role of education and social

Table 2. Enrollment by Type of School, 1960-1994

	1960	1970	1980	1994
Primary	781,295	1,427,589	3,926,629	5.557,396
Secondary	19,445	126,855	419,201	619,839
Total	800,740	1,554,444	4,345,830	6,177,235

Source: (Statistical Abstract, 1966; 1977; 1989; 1996)

Table 3. Approved Government Expenditure (Net) on Education As Percentages of Total Government Expenditure, 1963/64 to 1984/85, in Millions of Kenyan Pounds

Year	Net Recurrent Expenditure on Education (A)	Total Gov. Expenditure (B)	(A) as % of (B)
1963/64	8.3	42.6	19
1964/65	5.2	44.8	12
1965/66	6.8	49.7	14
1966/67	6.5	54.6	12
1967/68	7.6	58.8	15
1968/69	8.6	61.3	14
1969/70	15.7	73.9	21
1970/71	25.4	92.5	27
1971/72	31.3	109.5	29
1972/73	37.1	121.8	30
1973/74	38.9	146.1	27
1974/75	54.2	186.5	29
1975/76	64.6	228.6	28
1976/77	72.7	248.3	28
1977/78	89.1	330.7	27
1978/79	101.5	401.3	25
1979/80	122.9	441.6	28
1981/82	180.6	636.9	28
1982/83	192.1	651.1	30
1983/84	210.3	702.3	30
1984/85	238.3	781.5	30

Source: (Cheru 1987:56)

development. The basic feature of educational policy in neocolonial Kenya has, therefore, been perpetual expansion of the school system as a means of redressing past disparities.

Because of the limit imposed on the absorptive capacity of the modern urban sector, opportunities for employment began to decrease steadily after 1965. In fact, by 1967 it became increasingly difficult for those with only secondary school education to find jobs in the modern sector (Cheru 1987). While the educational system may not be held entirely responsible for producing a large number of unemployable school-leavers, the course of action chosen after independence both intensified the colonial values of education.

From the perspective of a long-term employment objective, the most damaging aspects of these events may be the effects of undifferentiated quantitative expansion on the educational system itself. As in the economy, basic structural changes were required in the system of education inherited from the colonial period. The pressure of expansion left little time for qualitative changes. Thus, money and resources were channeled into a tremendous quantitative expansion of the system still largely cast within a colonial system. Fundamental changes of structure, curriculum, examination and, indeed, the whole style and approach of the system of education was ignored. In a sense, the growth of the system had prevented the educational structure from being adapted to national needs and made more equitable.

Despite the efforts made in expanding educational opportunities, certain serious problems have emerged in recent years that deflect the country's educational goal and the economic reality: rising costs, educated unemployment, and regional disparities. Since education is viewed both as and indicator of development and as a vehicle for social mobility, the analysis of educational inequality is fundamental to assess the problem of underdevelopment in Kenya. The following analysis will focus primarily on the distribution of educational resources and opportunities among regions, and examine the extent to which such disparities have contradicted the government's objective of regional social and economic equity. Since independence, the government has emphasized the need to distribute the fruits of development equitably in various documents.

In the Sessional Paper number 10 of 1965, the official objectives were: continued expansion of the economy, wider sharing of the benefits of expansion, national integration of the economy and elimination of disparities (Ochieng' 1992). However, the development policies pursued so far have been limited, relative to the objectives intended. Indeed, they have produced results that often have reinforced the existing class and regional differences characteristic of the colonial way of development. These disparities are particularly expressed in the provision of educational opportunities at the provincial level.

Gross disparities remain among the provinces in such areas as the number of students in primary and secondary schools, distribution of qualified teachers and distribution of secondary schools. Although the disparities had their roots in the colonial political economy, they have been intensified by the development policies of the neocolonial government. These disparities not only affect the structure and nature of the education system, but also have a strong bearing on such issues as social mobility, income distribution, and social inequality.

The outstanding feature of the Kenyan education since independence has been the rate of expansion. In expanding educational facilities, the government attempted to provide facilities for those provinces that had been trailing behind in terms of number of schools and students. As Tables 4 and 5 indicate, this did not occur. Those

Table 4. Percentage Primary School Enrollment by Province, 1966-78

Province	1966	1972	1976	1978
Central	24	24	20	21
Coast	6	6	6	6
Eastern	20	20	19	20
Nairobi	5	4	3	3
Northeastern	<1	-	-	-
Nyanza	18	16	19	17
Rift Valley	14	15	18	19
Western	13	14	15	14

Source: (Statistical Abstract, 1966; 1977; 1980)

Table 5. Percentage of Secondary School Enrollment by Province, 1966-78

Province	1966	1972	1976	1978
Central	24	23	24	24
Coast	11	9	6	5
Eastern	9	15	16	18
Nairobi	24	16	10	9
Northeastern	<1	-	-	-
Nyanza	10	14	17	17
Rift Valley	10	13	12	13
Western	12	10	15	14

Source: (Statistical Abstracts, 1966; 1977; 1980) provinces with the smallest percentages of students (Coast and North Eastern) remained in that position from 1966 to 1978 as did the province having the highest percentage of students enrolled (Central). The explanation for these differences is due to a combination of political and economic factors. These factors include early missionary activity during colonialism and the development of export agriculture - coffee and tea in the former White Highlands. Most of the privileged provinces had a head start on Western education because of these factors. They have managed to maintain their lead in the post independence period because of their economic and political power.

The shortage of qualified teachers has been a common problem for developing countries, and Kenya is not exempted. The distribution of qualified teachers among various provinces in Kenya is extremely uneven. As shown in Table 6, 99 percent of the primary school teachers in Nairobi in 1978 were professionally qualified, followed by Central Province with 87 percent. Coast Province ranked last on the list with only 59 percent of its teachers trained. Proximity to the enclaves of European settlement and the urban center of Nairobi, and the early missionary activity are some of the factors, which account for Central Province's lead in education. Nairobi's position as the

Table 6. Percentage of Qualified Primary School Teachers in Each Province, for Selected Years

Province	1974	1976	1978
Nairobi	97	98	99
Central	81	82	87
Western	71	61	64
Nyanza	64	55	64
Rift Valley	64	59	65
Northeastern	59	57	63
Coast	57	53	59

Source: (Ministry of Education, Annual Reports, 1974-1978)

seat of government and industrial establishment, and a large presence of Europeans, explain its lead in education. There is a clear tendency for the relative position of the disadvantaged provinces (Coast and North Eastern) to have worsened over time, while the privileged provinces have maintained the lead. The same pattern is expected in the provision of secondary school resources and opportunities.

In expanding educational facilities, the government was committed to expand secondary schools because there was a shortage of students sufficiently qualified to replace the departing expatriates. One of the best indicators of expansion is the success of *Harambee* schools, which were initiated by communities. For example, in 1966, there were 206 government maintained schools and 336 *Harambee* secondary schools. In 1977, the corresponding figures were 444 and 1042 respectively (Cheru 1987). In recent years, however, this uncontrolled expansion of *Harambee* schools has resulted in the following negative consequences: "qualified teachers in *Harambee* schools are in short supply; standards of curricular are uneven, and it is difficult to control the enforcement of certain minimum requirements; the growing demand for schooling by different ethnic groups hinders balanced national educational planning as the richer districts maintain their lead by building more schools and hiring the qualified teachers away from the deprived districts" (Ibid. 63).

Progress in secondary education can be judged by the fact that secondary school enrollment increased from 35,921 in 1964 to 619,839 in 1994 (see table 2). However, as Cheru (1987) indicates, "Harambee schools accounted for 52 percent of the total secondary school enrollment in 1985, which implies that a high proportion of the country's secondary school students were being trained in institutions of low curricular quality, inferior in equipment, and inadequate in terms of teaching staff" (p. 63). The low standard of education at the *Harambee* schools have had a significant negative impact on the employment of prospective graduates from these schools. For example, Kinyanjui (1973) reported that of the 1,186 secondary school leavers he traced, 37 percent of the *Harambee* school leavers were unemployed in their first year after leaving school. The corresponding figures for government aided national and provincial schools were 6 percent and 5 percent respectively. This evidence suggests that the different school systems in Kenya have different social impacts.

The distribution of secondary schools as shown in Table 7 illustrates once again the differences, which exist among the provinces. According to the table, Central Province, with less than 15 percent of the total population, contained 22 percent of the assisted schools and 26 percent of the unaided schools, with a total of 24 percent of the secondary schools in the country. Central Province's large share of educational institutions indicates that educational benefits are being distributed in favor of the economically and politically powerful regions in the country. The agricultural development of this region (primarily in the White Highlands) and the political dominance of its residents (the Kikuyu) have helped to consolidate the lead. It follows that the

Table 7. Regional Distribution of Secondary Schools in Percentages, 1977

Province	Aided	Unaided	Total
Central	22	26	24
Coast	7	4	6
Eastern	17	19	18
Nairobi	7	2	5
Northeastern	-	-	0
Nyanza	18	16	17
Rift Valley	14	12	13
Western	13	19	16
Totals	100	100	100

Source: (Cheru 1987:66)

people in both Coast and North Eastern provinces need to contend with political and economic difficulties if they are to advance.

The discussion on education would be incomplete without examining the current 8-4-4 system of education established in Kenya in 1985. The 8-4-4 system must be interpreted in the context of previous government's efforts to emphasize non-formal education in Kenya. During the Kenyatta era, the government and various organizations responded to the unemployment crisis by establishing non-formal institutions with a strong vocational bias. The first of these institutions was the National Youth Service (NYS) established in the 1960s (Sifuna 1990). This was a two-year program that linked general education with productive labor, and provided intensive instruction in skills such as carpentry, masonry, motor vehicle mechanics, electronics, typing, tailoring and related skills. Trainees are prepared in these skills for government grade test. Voluntary agencies, especially religious organizations, also launched village polytechnics to meet community needs.

Towards the end of 1984, the Ministry of Education circulated a booklet explaining the rationale for the 8-4-4 system of education as a system that aimed at responding to the challenge of national development and participation of youth in development; would provide a practical-oriented curriculum that would offer a wide range of employment opportunities; will ensure equal opportunities for all students, and; will ensure that students graduating at every level have some scientific and practical knowledge for self-employment (Ibid.).

The colonial system of education in Kenya bore many examples, which show that vocational training was at the center of primary school curriculum for Africans. In 1925 the colonial office sought to develop the 'right sort' of education for African children in terms of vocational training, which was assumed to reflect African life and cultural heritage. It was to encourage them to remain farmers and not seek other kinds of employment in urban centers. African opposition to the system was largely motivated by the view that such a curriculum was designed to provide a special kind of inferior education for Africans, and to hamper their political and economic advancement. These arguments were supported by the fact that neither European nor Asian children were taught agriculture or carpentry.

These reactions are not only typical to the colonial situation, but are also prevalent with the current 8-4-4 system of education. Racial sentiments have been replaced by social class structure sentiments. Although the elites would admit the necessity of improving agriculture and limiting unemployment, they are likely to object to having their children oriented toward becoming farmers or petty traders. For them, the vocational education is appropriate for rural peasant farmer children. On the other hand, the non-elite are not satisfied with the idea of their children learning practical and agricultural skills, which may not lead to a salary. The assumption that vocational skills taught at primary school would improve the employability of school leavers seem to be unproductive in so far as it is not different from that of the colonial system.

Despite the success achieved in rapidly increasing school enrollment at all levels, the government's efforts in education have not been adequate. In addition to the failure to successfully redress the inherited regional imbalance in school enrollments, the bulk of the curriculum has remained as it was inherited from the colonial era. It was thus elitist and inegalitarian in nature, as it was designed to meet the interests and needs of a very small proportion of those who enter the school system. The main feature of the period has been linear expansion rather than structural reform of the inherited system. Most significantly, those in positions of leadership in politics and the civil service had little enthusiasm for change away from the system that helped to make them part of the elite.

Seen in a broader social context, the education system in Kenya merely reflected the dominant economic, political and social structure of the time. As argued earlier, educational systems largely reproduce rather than alter the economic, political and social structures of the societies in which they exist. Thus, the decision to follow the capitalist path to development that marked the post independent years lead inevitably to the continuation of a social structure based upon wealth that is characterized by large gaps between the rich and the poor. Not surprisingly the education system, shaped to meet the needs of a colonial elite, largely continued as a most effective way of perpetuating the interests of the neocolonial elite and expanding its numbers. This evidence suggests that in both the Kenyatta and Moi eras, the system of education was most successful in accomplishing this end.

The Impact of Economic and Political Systems on Employment and Income

The analysis in this section includes the examination of:

1. The distribution of wage employment by major towns;
2. The distribution of employment between provinces;
3. Gender inequality in the labor market;
4. Shares in employment (formal and informal sectors);
5. The distribution of non-agricultural income;
6. The distribution of workers by residence and poverty; and
7. Female and male earnings.

Among the most important challenges at independence was labor. Kenya inherited a labor market that was highly segmented, and employment opportunities were unequally distributed between rural and urban areas, men and women, and among various provinces. The new government not only had to correct these imbalances, but also to deal with the scourge of unemployment. As Zeleza (1992) indicates, employment grew fastest in the first decade after independence. "Between 1964 and 1974 employment grew at an annual rate of 3.8 percent, which was slightly higher that the growth of labor force" (p. 348). In this first decade of independence, the country sustained a good record of economic growth because of the relative stability of the global capitalist system. Overall, GDP grew at an average of 6.5 percent per annum while GDP per capita increased by about 30 percent (Nzomo 1992; Miller and Yeager 1994). However, this performance did not continue in the later half of the 1970s when the economy began to experience macro-economic crisis.

In the period 1974-1984 "employment grew at an annual rate of 3.3 percent, which was slightly lower than the growth rate of labor force" (Zeleza 1992:348). This fall was mainly caused by external factors such as oil price increases of 1973/74 and 1979/80; deteriorating terms of trade for primary commodity exports; fluctuations in exchange rates, the rise in interest rates, and the global economic recessions of 1975/76 and 1980/82 (Ayako 1988). The major manifestations of this crisis include high rates of unemployment and decline in the annual growth rate per capita incomes from a high of 5.3 percent in 1977 to a low of 0.5 percent in 1985 (Nzomo 1992). Indeed, since the mid 1970s the labor force has been growing faster than the economy has been able to generate wage employment.

Since independence, the public sector has been the main engine of employment creation in Kenya. It accounted for about 67 percent of the new jobs created between 1964 and 1987, and accounted for 49.5 percent of total wage employment in the formal sector compared to 29.5 percent in 1964 (Zeleza 1992). It is important to recall that after independence, the government was under pressure to Africanize the public sector and to provide jobs for the swelling ranks of the unemployed. Moreover, jobseekers were attracted to the public sector because it provided relatively greater security and higher wages on average than the profit-oriented private sectors. One approach to Kenyanization of the economy was to change the old racial structure, which ranked Europeans on top, Asians in the middle and Africans at the bottom. What happened was a simple change of people occupying jobs in the various income strata. This simply perpetuated the problem of finding productive employment for the masses, and has maintained inequalities among the regions. In short, Kenyanization did not change the colonial economic structure.

Wage employment patterns in the modern sector have continued to exhibit a high level of spatial concentration. Employment opportunities developed unevenly between urban centers, towns and rural areas and among the provinces. When we examine the distribution of wage employment by major towns as shown in Table 8, Nairobi's dominance is confirmed. Nairobi was the main center of colonial administration and became the capital city after independence. This is characteristic of developing countries in which there is a tendency of having one enormous city. Most of these cities are expected to create jobs faster than the others and attract large number of people migrating from the rural areas in search of jobs. Moreover, this is where multinational companies built their industries (Macharia 1997). The uneven distribution of employment among provinces has been no less pronounced. As might be expected, Nairobi province continues to dominate as shown in Table 9.

The distribution of employment remained uneven not only spatially and sectorally, but also along gender lines.

Table 8. Distribution of Wage Employment by Major Towns 1974-1994

Town	1974	1984	1994
Nairobi	226,959	315,701	393,413
Mombasa	69,148	96,932	142,036
Nakuru	13,757	20,969	28,036
Kisumu	11,934	20,660	33,721
Nyeri	5,410	8,818	9,122

Source: (Statistical Abstract, 1977; 1989; 1996)

Table 9. Distribution of Wage Employment by Provinces, 1974-1994

Province	1974	1984	1994
Nairobi	226,959	315,701	393,413
Central	133,235	156,655	212,208
Nyanza	59,985	93,702	146,546
Western	34,758	61,915	99,743
Coast	100,522	142,419	189,549
Rift Valley	208,178	242,517	320,099
Eastern	58,791	92,305	129,061
Northeastern	3,835	9,451	13,808

Source: (Statistical Abstract, 1977; 1989; 1996)

Compared to men, women's participation in the labor market continued to be very low as indicated in Table 10. According to the table, women formed 23 percent of the

Table 10. Gender Distribution of Employment by Major Sector, 1983-94 (percentages)

Sector		1983	1985	1990	1994
Agriculture	M	84.7	82.1	76.3	76.7
	F	15.3	17.9	23.7	23.3
Mining and Quarrying	M	97.1	97.9	81.4	73.9
	F	2.9	2.1	18.6	26.1
Manufacturing	M	90.7	90.1	89.3	87.8
	F	9.3	9.9	10.7	12.2
Building and Construction	M	95.5	97.4	94.3	95.0
	F	4.5	2.6	5.7	5.0
Commercial Services	M	84.6	83.9	82.9	81.8
	F	15.4	16.1	17.1	18.2
Government Services	M	74.8	72.8	72.4	69.2
	F	25.2	27.2	27.6	30.8
Total	M	82.2	80.3	78.7	76.9
	F	17.8	19.7	21.3	23.1

Source: (Ikiara and Ndungu 1999:93)

labor force as compared to 77 percent of their male counterparts in 1994. One would expect the share of women to be higher in view of their higher number in the country's total population. As Zeleza (1992) argues, combined influences of traditional and European patriarchalism continued to prescribe a system of division of labor patterned along gender lines. Women are mainly involved in smallholder farm activities, self-employment and as unpaid family workers. Moreover, they have limited access to the opportunity structures of education and training.

Alongside the uneven development of employment opportunities, Kenya was faced with the growing problem of unemployment. Like many other developing countries, Kenya entered a period of severe economic crisis from the mid 1970s. This period was characterized by fluctuating export prices, sweeping price increases for industrial outputs and fuels, rampant unemployment, corruption, and external debt (Nzomo 1992). No longer capable of coping with the crisis, the Kenya government resorted to the International Monetary Fund (IMF) and the World Bank funding to finance its large balance of payments deficits. As a result, the country was prompted by the all-powerful IMF and the World Bank to adopt the Structural Adjustment Programs (SAPs) as from the year 1980.

The SAPs committed the government of Kenya, among many other things, to cutting government expenditure and employment, and reducing government regulation of the economy so as to allow market forces to determine prices and the allocation of resources. Government cutbacks in employment and decline in real wage rates indeed have affected the people of Kenya. For example, Kenya's real wage rates in formal sector manufacturing dropped by 20 percent in the private sector, and over 35 percent in the public sector between 1974 and 1988. Between 1980 and 1984 the real minimum wage fell by over 35 percent. Subsequent nominal increases have not offset this loss (Helleiner 1990).

The government's commitment to the SAP and the failure of the formal sector to generate enough jobs led to the discovery of the so-called informal structure. This is a residual category of all forms of wage employment and self-employment outside the formal sector. Macharia (1997) defines the informal structure as "all those small scale business activities that operate without direct state regulation… They require no official qualifications and no special levels of education" (p. 39). It was the International Labor Organization (ILO) report on employment (1972) that brought attention to the informal sector subject as a locomotive to pull the country out of its deepening employment crisis.

According to the ILO report, informal sector activities are characterized by: ease of entry, reliance on indigenous resources, family ownership of enterprises, small-scale operation labor, labor intensive and adapted technology, skills acquired outside the formal school system, and unregulated and competitive markets. The characteristics of formal sector are inversions of the above: difficult entry, frequent reliance on overseas resources, corporate ownership, large-scale corporations, capital-intensive and often imported technology, formally acquired skills, often expatriate, and protected markets (ILO 1972).

The emergence of the informal sector as an alternative to the declining growth of employment in the formal sector is both historical and economic. Historically, the employment system evolved from the tendency toward a high labor turnover in urban employment due to the return to their villages of middle-aged and even some younger workers after a period of urban employment. This created numerous vacancies for new entrants to the labor market in urban centers. However, the rise in urban wages - high relative to rural incomes - forced workers to stay in regular urban employment. The high wage in urban centers has attracted jobseekers far in excess of the quantity justified by the reduced number of vacancies; and this has been caused and supported by the prevalence of capital-intensive technologies in the modern urban sector. This has resulted into the growth of an informal urban sector, which represents society's way of reconciling the limited number of jobseekers and the inadequate incomes.

Table 11 shows the percentage increase of persons engaged in the informal sector. These figures indicate that more than half a million Kenyans living in urban centers are engaged in the informal sector. The informal activities in Kenya include: "metal and wood artisans, open air auto garages, shoe shining, maize roasting, vegetable, fruit and food selling, newspaper vending, hawking, garments making, rubber stamps making, taxi and *matatu* operating, car parking and car washing and drum selling" (Macharia 1997:40).

The origins of the informal sector lie deep in the system of capitalism in Kenya. Many of these activities were inherited at the time of independence, though others have grown up since. Formal sector employment growth has slowed down over the years since 1970s. The share of employment between the formal and informal sectors has drastically changed, with the latter overtaking the former in employment absorption. These trends are shown in Table 12. The formal employment, which accounted for about 90 percent of total employment in 1972, had its share fall to about 45 percent in 1994. This spectacular decline occurred between 1990 and 1994 when the share of formal employment declined from 58.8 percent to 44.8 percent. Equally dramatic was the decline in the shares of the public and

Table 11. Number of Persons Engaged in the Informal Sector 1988-1991

Activity	1988	1989	1990	1991
Manufacturing	66,096	73,167	84,876	101,109
Construction	128	144	170	200
Wholesale and Retail Trade, Hotels and Restaurants	219,131	242,574	274,585	308,455
Transport and Communications	5,540	6,187	7,047	8,015
Community, Social and Personal Services	55,467	61,439	69,916	79,378
Total	346,362	383,511	436,594	497,157

Source: (Macharia 1997:58)

Table 12. Shares in Total Employment, 1972-94

	1972	1975	1980	1985	1990	1994
Public	35.7	36.0	39.6	40.4	29.2	20.5
Private	53.9	50.2	44.9	43.2	29.6	24.3
Total Formal Sector	89.6	86.2	84.5	83.6	58.8	44.8
Agriculture	30.7	25.3	19.4	17.0	11.3	8.4
Manufacturing	10.5	10.6	11.9	11.2	7.8	5.9
Commercial Services	20.7	21.0	21.2	21.0	13.4	11.8
Government Services	21.9	23.8	25.6	28.7	20.8	15.8
Building/Construction	4.7	4.3	5.3	4.3	3.0	2.2
Informal Sector	4.2	7.8	10.3	15.2	39.1	53.4
Self-Employed	6.2	6.0	5.2	2.3	2.0	1.7

Source: (Ikiara and Ndungu 1999:89)

private sectors, which declined to 20.5 percent, and 24.3 percent in 1994 from 35.7, and 53.9 percent in 1972, respectively.

The subsectors in the formal sector have also declined in their respective shares, with agriculture falling to 8.4 percent from 30.7 percent, manufacturing to 5.9 percent from 10.5 percent, and commercial services to 11.8 percent from 20.7 percent between 1972 and 1994. It is important to note the dramatic fall in the shares of formal employment between 1985 and 1990, and the spectacular rise in the share of informal sector employment in the same period. By 1994, the informal sector was absorbing over half the total workforce, while the formal sector provided wage employment for only 44.8 percent.

The declining share of formal sector employment helps explain the rising unemployment in Kenya with increasing labor supply, and with the informal sector having to act as a job-creator for those unemployed in the formal sector. This is reflected in the rapid rise in the informal sector share of the labor force from 4.2 percent in 1972 to 53.4 percent in 1994 as shown in Table 12 above. As Kiara and Ndungu (1999) argue, the downfall of the growth in the formal sector has forced the ever-increasing labor force to seek refuge in the informal sector, not necessarily for gainful employment but for an income-earning opportunity. The informal sector does not reflect an aspect of dynamism to solve unemployment problem, but rather acts as a residual recipient of labor. Although informal sector employment has expanded in recent years, real wages have also fallen while overall urban unemployment remains unchanged.

While the informal sector has been mainly the refuge of those unable to secure employment in the formal sector, many formal sector workers are no better off than their colleagues in the informal sector. In Kenya many people work for long hours for very little earnings, and are not much better off than the unemployed. As Zeleza (1992) indicates, real wages in Kenya began falling from the late 1960s. For example,

> By 1978 real earnings in the public sector were lower than they had been in 1964, while in the private non-agricultural sector they were less in 1968. Between 1979 and 1987 real wages fell at an annual rate of 5.9 percent in the private sector and 0.4 percent in the public sector. Overall by the mid 1980s real wages in Kenya had fallen by almost 40 percent since the beginning of the 1970s (P. 356).

The fall in real wages has brought all sorts of suffering to many Kenyan workers. According to the Central Organization of Trade Unions (COTU) study, while minimum wages between 1977 and 1987 increased by 67 percent from Kenya shillings 300 ($4) to Kenya shillings 500 ($7), prices increased by 239 percent. Predictably, the standard of living of many workers declined precipitously as many workers earned below the minimum wage (Chege 1987).

When we examine the distribution of non-agricultural household income by region and poverty as shown in Table 13, the differences in income distribution become clear. On average, the non-poor have approximately a mean non-agricultural income twice the size of the poor. The poor have the inability to acquire adequate income from wages, either because they are paid lower or because they have access to fewer employment opportunities, especially in the formal sector. The effect of the poor failing to secure sufficient income with respect to wages and salaries is manifested when we consider rural/urban differences. Table 14 gives the distribution of workers by area of there are more working poor living in rural areas (87 percent) and nearly a quarter of the workers live in urban areas compared to only 12.4 percent of the working poor. The picture confirms that poverty in Kenya is still an overwhelmingly rural phenomenon. Regionally, like in employment, Nairobi recorded the highest wage incomes from both poor and non-poor as shown in Table 13. This

Table 13. Monthly Non-Agricultural Household Income by Region and by Poverty (K shillings), 1994

Region	Non-Poor	Poor
Nairobi	18078.6	8634.8
Central	6439.2	4358.7
Coast	6975.6	5022.3
Eastern	5581.9	2752.9
Northeastern	5529.6	2444.5
Nyanza	4768.5	3322.5
Rift Valley	6683.4	3124.6
Western	4880.9	2898.5
Total	58937.7	32558.8

Source: (Ministry of Planning and National Development: Report on Poverty in Kenya 1998)

Table 14. Distribution of Workers by Area of Residence and Poverty (percentages), 1994

	Non-Poor	Poor	Total
Rural	76.2	87.6	80.9
Urban	23.8	12.4	19.1
Total	100.0	100.0	100.0

Source: (As for Table 12)

residence and poverty in 1994. According to the table, confirms that employment opportunities are significantly higher in the capital city than anywhere else in the country.

In terms of jobs, the majority of the female workers are concentrated in unskilled, routine, low paying jobs, primarily in the services and agricultural sectors. As Zeleza (1992) argues, this represents the process of feminization of low paying jobs born out of the intensive and contradictory demands placed on women's labor time, and overlaid capital's propensity for lowering real wages during the time of economic crisis. Given this trend, it is not surprising that female earnings are consistently lower than male earnings in both private and public sectors as indicated in Table 15. As in the formal sector, women find themselves pitted against men who operate most of the activities in the informal sector. Thus, the better paying activities (like vehicle repairs) are monopolized by men. Although wage activities to some extent may reflect lower levels of education and training, in some areas it is purely due to gender-based discrimination.

Employment and income patterns in Kenya continue to exhibit patterns of uneven development among and between regions, rural/urban areas and gender groups. Many of the

Table 15. Average Earnings by Sector and Sex, 1971-82

	Private		Public	
	Male	Female	Male	Female
1966	195.1	83.9	300.6	165.4
1976	643.0	424.0	925.0	883.0
1982	1,256.0	1,060.0	1,596.0	1,257.0

Source: (Nzomo 1992:109)

characteristics, contradictions and constraints of the colonial labor market persisted into the independence era. This is manifested in the unequal opportunities for wage employment and income distribution. The nature and causes of the employment problem and income distribution is embedded in the structure of the Kenyan economy as it relates to the global capitalist economy in trade, technology and the SAP policies.

Summary

This study has presented a historical materialist view of the nature and characteristics of economic and political systems and their impacts on the development of Kenya during the neocolonial period (1964-1994). The findings, analyses, interpretations and discussions present many relevant issues that answer the research questions based on the main variables of the study, namely, economic system, political system and development.

Analysis of the economic system is based on land distribution and agriculture, industry and manufacture, indigenous African capitalism, and the contradictions of neocolonial economy (1960s-1980s). The political system is discussed by examining the Kenyatta era (1964-1978) and the Moi era (1978-1992). The key issues analyzed during the Kenyatta era include: the consolidation of the first single-party era and ideology, conflict between the left and the right in the ruling party, Kenya African National Union (KANU) and the formation of the alternative party, Kenya People's Union (KPU), the little general election of 1966 and banning of the KPU, and the use of state forces and economic conditions. The major issues during the Moi era include: the establishment of the Moi regime and its ideology, the economic decline, the coup attempt and its aftermath, the use of state as an instrument of force for domination, internal and external pressure for political pluralism, and the re-emergence of multi-party system.

Development is measured by examining *education, employment and income*. The analysis on education (1960s-1990s) include an examination of the number of schools by province and category, educational expansion after independence, the government expenditure on education as well as the student enrollment in both primary and secondary schools, the distribution of qualified teachers, and the distribution of secondary schools at the provincial level. The analysis on employment and income (1970s-1990s) includes an examination of the distribution of wage employment by major towns, distribution of employment among the provinces, gender inequality in the labor market, shares in employment (formal and informal sectors), distribution of non-agricultural income, distribution of workers by residence and poverty, and female and male earnings. The answers to the research questions according to the findings and discussion are summarized below.

Question one: What are the nature and characteristics of economic and political systems in neocolonial Kenya (1964-1994)?

The analysis of the neocolonial economic and political systems in Kenya affirms that these systems have characteristics whose origins date from the incorporation of the country into the global capitalist economy through the process of colonization. Kenya's ties with Western capitalism started from the late nineteenth century when the expansion in the global capitalist economy favored agricultural exports for the European industries. The historical experience of colonialism in Kenya did not only establish an alien political domination but also created conditions conducive to the penetration of capitalism in Kenya. To achieve its objectives, the colonial capitalism in Kenya derived its ability to exploit the resources and labor from the power of the state, which directly depended upon the dominant economic forces of the metropolitan country and its local representatives. Through coercion, policies and laws, the state served as a powerful instrument of economic and political domination and in transforming the Kenyan traditional mode of production to a capitalist one.

The transition to independence in the late 1950s and early 1960s was a planned one, aimed at preserving the colonial economic structure. It was on the educated, loyalists, and indigenous petty bourgeoisie that all power was handed over during the transition to independence. This fundamentally ensured the continuation of colonial values and structures in the administration of the society. At independence, Kenya was turned into a neocolonial society fundamentally based on colonial economic and political structures. It is these structures, which are rooted in the expansion of the global capitalist economy that shape the current development trends in Kenya.

Neocolonial Kenya has consistently followed a capitalist system of development path aimed mainly at the maximization of economic growth for profit, with little emphasis on equity and the alleviation of poverty. Two years after independence, the government published a Sessional Paper titled *African Socialism and Its Application to Planning in Kenya (1965)* that was to chart the development strategy of the new regime. Though self-described as African Socialism, the adopted development strategy was in practice procapitalism. Kenya's leadership opted for a strategy of economic growth based on a determination to keep close ties with the major Western industrial nations, especially Britain, and later on, the United States.

Kenya's approach to development after independence reflects an assumption that social equality for the majority of Kenyans can only be achieved by pursuing a development strategy similar to the colonial economic structure. This kind of strategy essentially advocates the maintenance of the main elements of the colonial economic plan approach. The objective of the "African Socialism" development plan was to give precedence to the maximization of economic growth rather than equality in distribution. This development plan simply affirmed the system that the colonial government had developed over the previous years, that is, a capitalist system. Consequently, Kenya's promise of equality to her citizens after independence did not remove the inherited inequalities as revealed in the examination of land distribution, agriculture, industry and manufacture.

Africanization of the economy (in management posts, jobs, shareholding) by the government as a measure to modify the international firms' dominance of the industry and manufacture had very little degree of success. Rather, it created an indigenous capitalist class, which forms the real basis of support for the regime that succeeded the colonial administration. This class has used the state apparatus and legislative means to gain a foothold in the commercial sector of the economy to the disadvantage of the masses of the poor since the 1960s. In short, these evidences indicate that the government of Kenya has pursued a capitalist mode of development. It has emphasized the Africanization of the colonial economic system rather than its transformation. Domestically, the government has favored private ownership as the mode of production in both agriculture and industry. Internationally, the government has encouraged the integration of the Kenyan economy into the global capitalist system.

As well, Kenya's political system had been molded by the colonial experience of having to accommodate oneself and to work within the existing structure of the economy rather than to change it. This is the context within which the post-independence government had to choose an appropriate development strategy. Since independence, the country has been guided on a capitalist course through a centralized system of governance and under the expert direction of a trusted civil service. Despite the antagonism between the ruling class and the mass of the working class, the Kenyan society remains determined to preserve the status quo established by colonialism, fashioned by Kenyatta and taken up again by Moi.

Question two: What are the impacts of the economic and political systems on the development of Kenya in terms of education, employment and income?

Kenya, like all other developing countries pursuing a capitalist economic strategy, is characterized by the polarization of wealth and poverty. The country continues to remain a land of few rich people and millions of poor ones. This has created serious inequality not only in economic and political rewards, but also in education, employment and income. The government's efforts to expand education in Kenya have failed to successfully redress the inherited regional (provincial) imbalance in distribution of schools, enrollment of students, and allocation of qualified teachers and the curriculum.

Analysis of the distribution of secondary schools by province provides an interesting insight into the issue of equality in education at this level. While Central Province had 531 secondary schools in 1986, Northeastern Province had only 11 secondary schools. This pattern was consistent for both maintained and assisted schools. Similarly, an examination of the enrollment of students by province shows that the government's effort to provide facilities for those provinces that had been trailing behind did not occur. The provinces with the smallest percentage of students remained in that position from 1966 to 1978 as did the province having the highest percentage of students enrolled.

The disparities among the provinces in education are further illustrated by the distribution of qualified teachers, which remain extremely uneven. While 99 percent of teachers in Nairobi Province were professionally qualified in 1978, the Coast Province had only 59 percent of its teachers trained. This evidence suggests that educational benefits are distributed in favor of the economically and politically powerful regions in the country. The education system in Kenya merely reflects the dominant economic, political and social structures of the time. The decision to follow the capitalist path to development after independence led inevitably to the continuation of a social structure characterized by the wide gap between the rich and the poor. In a sense, the education system, which was shaped to meet the needs of a colonial elite, has largely continued as a most effective way of perpetuating the interests of the neocolonial elite and expanding its numbers.

As in the colonial period, employment and income patterns in Kenya continue to exhibit patterns of uneven development among regions, rural/urban areas as well as between gender groups. This is manifested in the unequal opportunities for wage employment and income distribution. Analysis of the distribution of wage employment by province and by major towns confirms Nairobi's dominance over the other provinces between 1974 and 1994. In 1994, Nairobi as a city had 64.8 percent of the total wage employment in the country. This is characteristic of ex-colonial countries in which there is a tendency to have one enormous city, which formerly served as a colonial administration center. The distribution of employment has also remained unequal along gender lines as women's participation in the labor market continues to be very low. By 1994, women formed 23 percent of the labor force as compared to 77 percent of their male counterparts

Together with the uneven development of employment, Kenya has been faced with the problem of unemployment, especially in the formal sector of the economy. The limited employment absorptive capacity of the formal sector led to the development of the informal sector, which is increasingly being regarded as the panacea of Kenya's deepening unemployment crisis. The origins of the informal economy lie deep in Kenya's incorporation into the global capitalist economy since the colonial period. Many of those activities were inherited at the time of independence. The informal activities have been expanded by the changes in the global economy since the 1970s, and the government's commitment to the Structural Adjustment Policies of the IMF/World Bank, which have pushed more people in the urban centers into the informal sector. Analysis of the number of persons engaged in the informal sector shows that about half a million of people living in urban centers are engaged in this sector, with very little income. What the informal sector does is to provide the formal sector with goods and services at a very low price. The Cheap goods and services from the informal sector not only enable the formal sector workers to survive on their low wages, but also provide high profits for the formal sector, which is monopolized by the capitalists.

Conclusion

The purpose of this study was to assess the extent to which historical materialism theory can be used to understand underdevelopment in Kenya during the neocolonial period. Since the main concern was to view the development of Kenya based on economic and political history, this research concentrated on the mode of production as the main feature of historical materialism. The mode of production implies the totality of productive forces and relations of production at a historically specific stage of development of human society. Each mode of production in human social history consists of a different set of productive relations, to which appropriate political, social and ideological institutions correspond. As noted throughout the analysis of this study, colonialism transformed Kenya's pre-colonial modes of production into a substantially capitalist mode of production.

From a historical materialist approach, this study views neocolonialism not only as a continuation of colonialism, but also as a distinct stage of the expansion of capitalism on a global scale. After gaining independence from the withdrawing of colonial powers, the government policies and development plans continued to follow the capitalist mode of production, characterized by inequality and poverty. The imbalances and inequality in the distribution of educational resources, employment opportunities and income allocation are adverse outcomes of the capitalist mode of production. Today, what characterizes Kenya's experience with neocolonialism is its domination by the leading economic forces within the global economy, coupled with the internal influence of its indigenous capitalist class.

The politics and policies of development in neocolonial Kenya are dominated externally by the global capitalist financial institutions (the IMF and the World Bank), which impose the policy of structural adjustment programs, and the global corporations that replace national laws with global policies and institutions like the World Trade Organization (WTO). The aim of these institutions and policies is to maximize profit from both the developed and developing countries in the market economy rather than to consider and improve the quality of life as measured by education, employment and income.

The neocolonial state in Kenya is not simply a dependent superstructure, but an intrinsic part of the capitalist mode of production that forms the fundamental social relations of production, including its contradiction. In addition to external economic domination and dependence, the politics of neocolonialism and development policies are also the outcome of class struggles between the ruling elite and the marginalized masses demanding policies that can address their needs. These class relations are grounded in the economy, around which the political system revolves. In Kenya, economic decline certainly played an important role in the political upheavals of the 1990s.

The unresolved issue in the political struggles for change is the problem of who is the immediate enemy. The prodemocracy movements and opposition parties tend to over-personalize the crisis and contradictions, making the problem to be the President. The President simply represents a class and its mode of politics. Taking the President as the problem, the opposition parties in Kenya seem to be struggling to replace the government and continue with the policies and politics of the repressive state. Their programs are geared toward reforming rather than transforming the state. Moreover, they support the political conditionalities of the donors.

These evidences support the fact that there is very little hope that the current opposition parties will attain social change without addressing the root cause of the problem. The real enemy is the global capitalist economy, which is so integrated and interconnected that no previous mode of production in the world can maintain its independence. It is this pervasive system as a whole that must be changed before further progress can be made in any particular part of the system. Perhaps the next important step in the struggle is to develop global-oriented movements that transcend nation state barriers and historical differences, since it is clear that we have a common enemy.

REFERENCES

Agonafer, Mulugeta. 1994. Contending Theories of Development in the Contemporary International Order/Disorder: Lessons from Kenya and Tanzania. New York: University Press of America.

Ahluwalia, Pal D. 1996. Post Colonialism and the Politics of Kenya. New York: Nova Science Publishers.

Ake, Claude. 1996. Democracy and Development in Africa. Washington, DC: The Brookings Institution.

Alkalimat, Abdul. 1997. "The New Technological Imperative in Africa: Class struggle on the Edge of Third-Wave Revolution." Pp. 271-286 in Cutting Edge: Technology, Information, capitalism and Social Revolution, edited by Jim Davis, Thomas Hirschl and Michael Stack. New York: Verso.

Amin, Samir. 1974. Accumulation on A World Scale: A Critique of the Theory of Underdevelopment. New York: Monthly Review Press.

Anderson, Sarah, Cavanagh John with Lee Thea. 1999. Field Guide to the Global Economy. New York: The New Press.

Ayako, Aloys B. 1988. "Implementation of Structural Adjustment Policies and Programs in Kenya." In Proceedings of a Workshop on the Impact of Macroeconomic Adjustment Policies. Lusaka, Zambia.

Barkan, Joel D. 1994. "Divergence and Convergence in Kenya and Tanzania." Pp. 1-45 in Beyond Capitalism vs Socialism in Kenya and Tanzania, edited by Joel D. Barkan. Nairobi: East African Educational Publishers.

Berberoglu, Berch. 1993. An Introduction to Classical and Contemporary Social Theory: A Critical Perspective. Dix Hills, New York: General Hall, Inc.

Berman, Bruce. 1990. Control and Crisis in Colonial Kenya: The Dialectic of Domination. Nairobi: East African Educational Publishers.

Berman, Bruce and Lonsdale John. 1992. Unhappy Valley: Conflict in Kenya and Africa, Book One: Sate & Class.

Nairobi: East African Educational Publishers.

Bienen, Henry. 1974. Kenya: The Politics of Participation and Control. Princeton, New Jersey: Princeton University Press.

Blaut, J.M. 1993. The Colonizers Model of the World. New York: Guilford Press

Bradshaw, York W. 1988. "Reassessing Economic Dependency And Uneven Development: The Kenyan Experience." *American Sociological Review*, 53, October:693-708.

Brett, E.A. 1973. Colonialism and Underdevelopment in East Africa: The Politics of Economic Change 1919-1939. New York: NOK Publishers.

Brewer, Anthony. 1977. Marxist Theories of Imperialism: A Critical Survey. New York: Routledge.

Carlsen, John. 1980. Economic and Social Transformation in Rural Kenya. Uppsala: Scandinavian Institute of African Studies.

Castells, Manuel. 2000. The Information Age: Economy, Society and Culture, Volume III: End of Millenium. Malden, MA: Blackwell Publishers Inc.

Cheche, Kenya. 1982. Independent Kenya. London, U.K.: Zed Press.

Chege, Michael. 1994. "The return of Multiparty Politics." Pp. 47-74 in Beyond Capitalism vs. Socialism in Kenya and Tanzania, edited by Joel D. Barkan. Nairobi: East African Educational Publishers.

________. 1987. "The State and Labor in Kenya." Pp.248-264 in Popular Struggles for Democracy in Africa: Studies in African Political Economy, edited by Peter Anyang' Nyong'o. London: Zed Books Ltd.

Cheru, Fantu. 1989. The Silent Revolution in Africa: Debt, Development and Democracy. London: Zed Books Ltd.

________. 1987. Dependence, Underdevelopment and Unemployment in Kenya: School Leavers in A Peripheral Capitalist Political Economy. New York: University

Press of America.

Chilcote, Ronald H. Theories of Comparative Politics: The Search for a Paradigm Reconsidered. Boulder, Colorado: Westview Press.

Collier, Paul and Lal Deepak. 1986. Labor and Poverty in Kenya: 1900-1980. Oxford: Clarendon Press.

Court, David. 1984. "The Education System as a Response to Inequality." Pp. 266-295 in Politics and Public Policy in Kenya and Tanzania, edited by Joel D. Barkan. New York: Praeger.

Derek, Sayer. 1975. "Method and Dogma in Historical Materialism." *Sociological Review*, 23, 4:779-809.

Eshiwani, George S. 1993. Education in Kenya Since Independence. Nairobi, Kenya: East African Educational Publishers.

Fatton, Robert. 1992. Predatory Rule: State and Civil Society in Africa. Boulder, Colorado: Lynne Rienner.

Fieldhouse, D.K. 1986. Black Africa 1945-1980: Economic Decolonization and Arrested Development. London: UNWIN HYMAN.

Fishman, Walda Katz. 1989. "An Alternative Understanding of Historical Materialism." *Humanity and Society*, 13, 3 August, 364-366.

Fishman, Walda Katz and Scott Jerome. 2000. "Globalization in the Electronic Age: An Action Agenda." *As The South Goes…*, 8, 1, Spring:8-10.

Frank, Andre Gunder. 1998. ReOrient: Global Economy in the Asian Age. Berkeley, California: University of California Press.

_______. 1975. On Capitalist Underdevelopment. New Oxford University Press.

_______. 1967. Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil. New York: Monthly Review Press.

Gertzel, Cherry. 1975. "The Provincial Administration in Kenya." *Journal of Commonwealth Political Studies*, Vol. 4, 3:201-215.

Githu, Muigai. 1992. "From the Governor to the Imperial President: Constitutional Transformation and the Crisis of Governance in Kenya." Paper presented in Nairobi at the Meeting of University of Florida (Gainesville) Program on Governance in Africa.

Gomes, Ralph C. 1984. "Exploring the Dynamics of Race and Class: A Materialist Perspective." *Humanity and Society*, 8, February, 18-33.

Green, Charles. 1997. Globalization and Survival in the Black Diaspora: The New Urban Challenge. Albany, New York: State University of New York Press.

Gutkind, Peter C.W and Wallerstein Immanuel. 1985. Political Economy of Contemporary Africa. London: Sage Publications.

Haugerud, Angelique. 1995. The Culture of Politics in Modern Kenya. New York: Cambridge University Press.

Hazlewood, A. 1979. The Economy of Kenya: The Kenyatta Era. London: Oxford University Press.

Helleiner, G.K. 1990. "Structural Adjustment and Long-Term Development in Sub-Saharan Africa." *Queen Elizabeth House Development studies Working Papers*. London: Number 18, March: 30-40.

Himbara, David. 1994. Kenyan Capitalists, the State and Development. Nairobi: East African Educational Publishers.

Hulme, David and Turner Mark M. 1990. Sociology of Development. New York: St. Martin's Press.

Hyden, Goran. 1970. "Local Government Reform in Kenya," *East Africa Journal*, Vol. 7, 4:19-24.

Ikiara, Gerrishon K. and Ndung'u Njuguna. 1999. "Employment and Labor Markets during Adjustment: Kenya." Pp. 73-118 in Adjustment, Employment and Missing Institutions in Africa: The Experience in Eastern and Southern

Africa, edited by William Van Der Geest and Rolph Van Der Hoeven. Geneva: International Labor Office.

Ingham, Kenneth. 1990. Politics in Modern Africa: The Uneven Tribal Dimension. New York: Routledge.

International Labor Organization. 1972. Employment, Incomes and Inequality: A Strategy for Increasing Productive Employment in Kenya. Geneva: International Labor Organization.

Isaacman, Allen. 1990. "Peasants and Rural Social Protest in Africa." *African Studies Review*, Vol.33, 2:1-120.

Jolly, Richard, Seers Dudley and Singer Hans. 1973. The Pilot Employment Missions; and Lessons of the Kenya Mission. London: Institute of Development Studies.

Kabiru, Kinyanjui. 1973. "Education, Training and Employment of Secondary School Leavers in Kenya." *Manpower and Unemployment Research in Africa*, Vol. 6, 2:79-97.

Kay, Geoffrey. 1975. Development and Underdevelopment: A Marxist Analysis. New York: ST. Martin's Press.

Kibwana, Kivutha, Wanjala Smokin and Owiti Okech. 1996. The Anatomy of corruption in Kenya: Legal, Political and Socio-Economic Perspectives. Nairobi, Kenya: CLARION.

Kieh, George Klay. 1996. "Democratization and Peace in Africa." *Journal of Asian and African Studies*, 31, 1-2, June:99-111.

Killick, Tony. 1981. Papers on the Kenyan Economy. London: Heinemann Educational Books LTD.

Kreinberg, Alfred J. 2000. "Challenges of Education: Looking Toward the Future." Pp. 209-220 in Modern Kenya, edited by Mary Ann Watson. New York: University Press of America.

Lancaster, Carol. 1990. "Democracy in Africa." *Foreign Policy*, Vol. 85, Winter: 148-165.

Langdon, Steven. 1980. Multinational Corporations in the Political Economy of Kenya. New York: St. Martin's

Press.

_______. 1987. "Industry and Capitalism in Kenya: Contributions to A Debate." Pp. 343-381 in The African Bourgeoisie: Capitalist Development in Nigeria, Kenya and the Ivory Coast, edited by Paul M. Lubeck. Boulder, Colorado: Lynne Rienner Publishers.

_______. 1980. "Industry and Capitalism in Kenya: Contributions to a Debate." Paper Prepared for the Conference on the African Bourgeoisie. Dakar, Senegal.

_______. 1977. "The State and Capitalism in Kenya." *Review of African Political Economy*, 8:90-98.

Leo, Christopher. 1984. Land and Class in Kenya. Toronto: University of Toronto.

Leys, Colin. 1974. Underdevelopment in Kenya, the Political Economy of Neocolonialism: 1964-1971. Berkeley and Los Angeles: University of California Press.

_______. 1996. The Rise and Fall of Development Theory. Nairobi: East African Educational Publishers.

Lubeck, Paul M. 1987. The African Bourgeoisie, Capitalist Development in Nigeria, Kenya, and the Ivory Coast. Boulder, Colorado: Lynne Rienner Publishers.

Macharia, Kinuthia. 1997. Social and Political Dynamics of the Informal Economy in African Cities: Nairobi and Harare. New York: University Press of America.

_______. 1997. "Meeting the Challenge in An African City: Nairobi's Informal Economy in the 1980s and 1990s." Pp. 43-59 in Globalization and Survival in the Black Diaspora: The New Urban Challenge, edited by Charles Green. Albany, New York: State University of New York Press.

Malhotra, Veena. 1990. Kenya Under Kenyatta. Delhi: Kalinga Publications.

Maloba, Wunyabari O. 1993. Mau Mau and Kenya: An Analysis Of a Peasant Revolt. Bloomington and Indianapolis: Indiana University Press.

Marx, Karl. 1995. Wage-Labor and Capital. New York: International Publishers.

Marx, Karl and Engels Frederick. 1995. The Communist Manifesto. New York: International Publishers.

Maxon, Robert. 1995. "Social and Cultural changes." Pp. 110-147 in Decolonization and Independence in Kenya 1940-93, edited by B.A. Ogot and W.R. Ochieng'. London: James currey.

_______. 1992. "The Establishment of the Colonial Economy." Pp. 63-91 in An Economic History of Kenya, edited by W.R. Ochieng' and R.M. Maxon. Nairobi: East African Educational Publishers.

_______. 1992. "Small-Scale and Large-Scale Agriculture since Independence." Pp. 273-296 in An Economic History of Kenya, edited by W.R. Ochieng' and R.M. Maxon. Nairobi: East African Educational Publishers.

Mboya, Tom. 1970. The Challenge of Nationhood; a Collection of Speeches and Writings, by Tom Mboya. New York: Praeger Publishers.

McCormic, Dorothy. 1987. "Fundis and Formality: Very Small Manufacturers in Nairobi." Pp. 161-176 in The Political Economy of Kenya, edited by Michael G. Schatzberg. New York: Praeger.

McMichael, Philip. 1996. Development and Social Changes: A Global Perspective. Thousands Oaks, California: Pine Forge Press.

Miller, Norman and Yeager Rodger. 1994. Kenya: The Quest for Prosperity. Colorado: West view Press.

Moi, Daniel T. 1987. Kenya African Nationalism: Nyayo Philosophy and Principles. London: Mcmillan Publishers.

Nabudere, Dan. 1981. Imperialism in East Africa, Vol. 1: Imperialism and Exploitation. London: Zed Press.

Nafziger, Wayne. 1990. "African Capitalism, State Power, and Economic Development." *The Journal of Modern African Studies*, 28, 1:141-150.

Ndegwa, Stephen N. 1996. The Two Faces of Civil Society: NGOs and Politics in Africa. West Hartford, Connecticut: Kumarian Press.

Nelson, Joan. 1990. Economic Crisis and Policy Choice: The Politics of Economic Adjustment in the Third World. Princeton: Princeton University Press.

Nkrumah, Kwame. 1966. Neo-colonialism: The Last Stage of Imperialism. New York: International Publishers.

Nzomo, Maria. 1992. "Beyond Structural Adjustment Programs: Democracy, Gender, Equity and Development in Africa with Special Reference to Kenya." Pp. 99-117 in Beyond Structural Adjustment in Africa, edited by Nyang'oro J.E. and Shaw T.M. New York: Praeger.

Ochieng', William R. 1995. "Structural and Political Changes." Pp. 83-109 in Decolonization and Independence in Kenya 1940-93, edited by B.A. Ogot and W.R. Ochieng'. London: James Currey.

________. 1992. "Kenya's Internal and International Trade in the Nineteenth Century." Pp. 35-47 in An economic History of Kenya, edited by W.R. Ochieng' and R. M. Maxon. Nairobi: East African Educational Publishers.

________. 1992. "The Post-Colonial State and Kenya's Economic Inheritance." Pp. 259-272 in An Economic History of Kenya, edited by W.R. Ochieng' and R.M. Maxon. Nairobi: East African Educational Publishers.

Odinga, Oginga. 1967. Not Yet Uhuru. Nairobi: East African Educational Publishers.

Ogonda, R.T. 1992. "Kenya's Industrial Progress in the Post-Independence Era: An Overview of Kenya's Industrial Performance up to 1980." Pp. 297-311 in An Economic History of Kenya, edited by W.R. Ochieng' and R.M. Maxon. Nairobi, Kenya: East African Educational Publishers Ltd.

________. 1992. "The Colonial Industrial Policies and the Process of Industrialization in Kenya." Pp. 159-199 in An Economic History of Kenya, edited by W.R. Ochieng' and R.M. Maxon. Nairobi: East Africa

Educational Publishers.

Ogonda, R.T. and Ochieng' W.R. 1992. "Land, Natural and Human Resources." Pp. 1-16 in An Economic History of Kenya, edited by W.R. Ochieng' and R.M. Maxon. Nairobi: East Africa Educational Publishers.

Ogot, B.A. 1995. "The Politics of Populism." Pp. 187-236 in Decolonization and Independence in Kenya 1940-93, edited by B.A. Ogot and W.R. Ochieng'. London: James Currey.

________. 1996. "The Decisive Years: 1956-63." Pp. 48-79 in Decolonization and Independence in Kenya: 1940-93, Edited by B.A. Ogot and W.R. Ochieng'. Nairobi: East African Educational Publishers.

Osolo-Nasubo, Ng'weno. 1977. A Socio-Economic study of the Kenya Highlands from 1900-1970: A Case Study of the Uhuru Government. Washington, DC: University Press of America.

Palma, Gabriel. 1983. "Dependency and Development: A Critical Overview." Pp. 20-70 in Dependency Theory: A Critical Reassessment, edited by Dudley Seers. London: Frances Printer Ltd.

Republic of Kenya. 1964-1996. Economic Survey. Nairobi: The Government Printing Press.

________. 1966-1996. Statistical Abstract. Nairobi: The Government Printing Press.

________. 1965. Development Plan 1966-1970. The Government Printing Press.

________. 1969. Development Plan 1970-1974. The Government Printing Press.

Ritzer, George. 1997. Modern Sociological Theory. New York: The McGraw-Hill Companies, Inc.

Rodney, Walter. 1982. How Europe Underdeveloped Africa. Washington, DC: Howard University Press.

Sandbrook, Richard. 1990. "Taming the African Leviathan." *World Policy Journal* Vol. 7, 4:673-701.

_______. 1975. Proletarians and African Capitalism: The Kenyan Case, 1960-1972. Great Britain: Cambridge University Press.

Sifuna, Daniel. 1990. Development of Education in Africa: The Kenyan Experience. Nairobi, Kenya: Initiative Publishers.

Swainson, Nicola. 1987. "Indigenous Capitalism in Post-Colonial Kenya." Pp. 137-163 in The African Bourgeoisie: Capitalist Development in Nigeria, Kenya and the Ivory Coast, edited by Paul M. Lubeck. Boulder, Colorado: Lynne Rienner Publishers.

_______. 1980. The Development of Corporate Capitalism in Kenya, 1918-77. Berkeley and Los Angeles: University of California.

_______. 1977. "The Rise of the National Bourgeoisie in Kenya." *Review of African Political Economy*, 8:39-55.

Thobhani, Akbarali. 2000. "Political Developments during the 1990s." Pp. 1-21 in Modern Kenya edited by Watson Mary A. New York: University Press of America.

Todaro, Michael P. 1981. "Education and National Economic Development in Kenya." Pp. 269-285 in Papers on the Kenyan Economy: Performance, Problems and Policies, edited by Tony Killik. Nairobi: Heineman Educational Books Limited.

United Nations Development Program (UNDP). 1999. Human Development Report 1999. New York: Oxford University Press.

Widner, Jennifer. 1992. The Rise of a Party-State in Kenya: From "Harambee!" to "Nyayo!". Berkeley: University of California Press.

Wolff, Richard D. 1977. The Economics of Colonialism: Britain and Kenya, 1870-1930. New Haven: Yale University Press.

World Bank. 1989. Sub-Saharan Africa: From Crisis to Sustainable Growth. Washington, DC: World Bank.

_______. 1999. World Development Indicators 1999. Washington, DC: World Bank.

_______. 2000. African Development Indicators 2000. Washington, DC: World Bank.

Zeitlin, Irving M. 1997. Ideology and The Development of Sociological Theory. New Jersey: Prentice Hall, Upper Saddle River.

Zeleza, Tiyambe. 1992. "The Labour System in Independent Kenya." Pp. 347-369 in An Economic History of Kenya, edited by W.R. Ochieng' and R.M. Maxon. Nairobi, Kenya: East African Educational Publishers Ltd.

Zwanenberg, R.M.A with King Anne. 1975. An Economic History of Kenya and Uganda: 1800-1970. London: MacMillan Press LTD.